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PREFACE

THIS volume was prepared at the suggestion of the late Sir Edward Hamilton, who had in vain cherished during a lifetime in the Treasury the project of publishing a connected account of our financial procedure, which he believed to be much needed by members of Parliament, by Government Departments, and by the public at large. Want of leisure compelled him to defer the execution of his plan until his retirement from the service, when he hoped to treat the subject with greater freedom of comment and criticism than were permissible in an active official. But on his retirement his health was too broken for the task for which he was so exceptionally qualified.

In attempting to observe his wishes I have limited myself, so far as possible, to describing things as they are here and now, not as they have been, as they might be, or as they are in other countries.

All that is offered is a summary exposition of our financial system, its organisation, methods, and forms of procedure. So far as I am aware nothing is here stated which is not to be found in various official publications, the Statutes, the Standing Orders and Debates of Parliament, the Reports of Public Accounts

Committees, Select Committees, and Royal Commissions, in papers and accounts presented to the House of Commons, and in such works as Sir Erskine May's *Treatise on the Law, Privileges, Proceedings, and Usages of Parliament*, Sir C. P. Ilbert's *Legislative Methods and Forms*, A. Todd's *Parliamentary Government in England*, Professor Redlich's *Procedure in the House of Commons*, Sir W. Anson's *Law and Custom of the Constitution*, Lord Halsbury's *Laws of England*, and President Lowell's *Government of England*. Articles upon particular topics of finance have from time to time been written by active Treasury officials, *e.g.* by Sir E. Hamilton, Mr. W. Blain, and Mr. Stephen Spring-Rice in the *Encyclopaedia Britannica*, and Mr. G. H. Hunt in the *Dictionary of Political Economy*, but the materials for a complete study have not hitherto been brought together in a complete form.

It has fallen to my lot to be called upon to explain our financial system to official and unofficial visitors from Europe, Asia, and America, and to be responsible for offering official advice upon financial organisation to Governments in the South and the North of Africa. A difficulty always encountered even with the best informed may be illustrated by the experience of the late Professor Henry Sidgwick, who found it easy to follow Lord Goschen's classical exposition of the Theory of the Foreign Exchanges and to understand the explanations of authorities in the City, but complained that he had never been able to link together theory and practice. In the text which follows I have endeavoured to connect the forms and

documents printed in the Appendix with actual practice, so as to show how our financial organisation marches, and have contented myself with indications of the sources to which students may turn for a further development of the topics dealt with. The Appendices are in themselves sources which have enabled me to abridge the commentary within narrow limits. No apology is needed for setting them out at length in what German authorities would call an essay in Formal-Financial-Administration.

Though this volume is in no sense official, I have carried reticence to the point of refraining from comment even upon the influence which forms may exercise upon administrative efficiency and financial policy. A good example of such a discussion will be found in Mr. Sidney Webb's *Grants in Aid: a Criticism and a Proposal*, 1911, which exceeds the length of the present commentary in enlarging upon a subject here confined to a few lines. The present work is too condensed to be interesting. It must suffice for the present if it is found to be useful.

CONTENTS

CHAPTER I

PAGE

THE ESTIMATES: PREPARATION AND PRESENTATION . . 1

CHAPTER II

THE CONSOLIDATED FUND AND THE EXCHEQUER . . 18

CHAPTER III

ESTIMATES IN PARLIAMENT 25

CHAPTER IV

THE BUDGET AND THE FINANCE BILL 37

CHAPTER V

FINANCE ACCOUNTS 43

CHAPTER VI

THE AUDIT OFFICE, THE PAYMASTER-GENERAL, AND PUBLIC ACCOUNTING 65

CHAPTER VII

THE TREASURY 80

CHAPTER VIII

PAGE
THE NATIONAL DEBT; BANKS OF ENGLAND AND IRELAND . 89

CHAPTER IX

PUBLIC WORKS LOANS AND SPECIAL ACCOUNTS . . 96

APPENDICES

1. EXCHEQUER AND AUDIT DEPARTMENTS ACT, 1866, AND TREASURY MINUTE THEREON 103
2. PUBLIC ACCOUNTS AND CHARGES ACT, 1891, s. 2. . 132
3. ESTIMATES CIRCULAR, 1912–1913 134
4. LIST OF VOTES 141
5. CONSOLIDATED FUND (No. 1) BILL, 1912 . . . 147
6. CONSOLIDATED FUND (APPROPRIATION) ACT, 1912 . . 149
7. FORMS AUTHORISING AND GRANTING CREDITS AND EXCHEQUER ISSUES 181
8. TREASURY MINUTE OF 31ST MAY 1889 RELATING TO TREASURY BILLS 189
9. EXCHEQUER BOND 196
10. NATIONAL DEBT (SINKING FUND) ACT, 1875 . . 197
11. STANDING ORDERS OF THE HOUSE OF COMMONS ON FINANCIAL BUSINESS 202
12. SPECIMEN ESTIMATE 207
13. SPECIMEN APPROPRIATION ACCOUNT 211
14. PARLIAMENT ACT, 1911 214

INDEX 217

CHAPTER I

THE ESTIMATES: PREPARATION AND PRESENTATION

THE financial year of the United Kingdom begins on the 1st of April (17 & 18 Vict. c. 94, s. 2).[1] The preparation for it dates from the preceding 1st of October, on which day a circular[2] is issued by the Treasury to the various Civil Departments of Government, including the Revenue Departments, requesting them to furnish on or before the 1st of December Estimates of their financial requirements for the

[1] As we shall find other dates for certain financial periods it may be convenient here to state that from the earliest times on record the yearly accounts of public receipts and expenditure of this country were made up to Michaelmas. In 1786 the accounts were also made up as a supplementary statement to the 5th January (Old Christmas Day). The 5th January was formally adopted as the end of the financial year 1799–1800. In 1832 the annual Budget, formerly made up to the 5th January, was presented by Lord Althorp for the year ending the 5th April, but Supply was taken up to the 31st March only. Though this practice was continued for the annual grants, the financial accounts were still made up to the 5th January, and there were thus three different "years" for financial purposes, until in 1854 the 1st of April was made the beginning of the financial year by the Act mentioned in the text. See *House of Commons Paper 366 I. of 1869*, pp. 329-330. This paper (with *366* of the same year), better known as Chisholm's *Analysis of the Public Accounts, 1688–1869*, is a mine of information for the historical student of our financial system.

[2] A copy of this circular is printed in Appendix III. The 1st October 1911 falling on a Sunday, the circular was issued on the 2nd.

ensuing financial year. If the Estimates cannot be set out in all the required detail before the 15th of December, approximate totals are required by the Treasury on or before that date, in order that the Chancellor of the Exchequer may ascertain the probable total of the amounts which he will be required to provide for those services. When the preparation of an Estimate is delayed by exceptional circumstances, or questions affecting it are still outstanding, an Estimate framed on the basis of existing authorities is required to be sent to the Treasury on or before the 13th of January, after which date no Estimate or alteration of an Estimate can be received. A Department which neglected its obligation to forward the Estimate by this date would run the risk of being left out in the cold unless the Treasury presented an Estimate framed by itself, as was done with the Estimate for the House of Lords Offices laid before the House of Commons in 1894 in the same form as the Estimate for the previous year.[1]

When forwarding their detailed Estimates to the Treasury, Departments are required to quote the Treasury authority for any variations from the preceding Estimates in respect of numbers of persons employed, scales of salary, rates of wages, new services, etc., and to explain the causes of variation in estimated requirements under each sub-head. The amounts granted during each of the last two years and expended during each of the two financial years

[1] See *House of Commons Paper 85 of 1894* for an explanation of the circumstances.

last ended, and the half-year to the 30th of September last, are also noted for comparison, as well as any receipts for the same period. The statements of Pensions granted and ceased are made up to the 30th of November. Expenditure requiring special Treasury authority is not to be included in the Estimate in anticipation of such authority, and if for any reason it is printed in the approved Estimate this does not dispense with the need for formal Treasury sanction for the expenditure at a later date. The Estimate when it reaches the Treasury is checked against the Treasury authorities quoted and the Treasury records. It is also scrutinised in the light of experience of past years in order that it may be made to correspond as closely as possible with the probable requirements of the Department. It is the duty of the Treasury to see that the provision is economical and sufficient. To frame unduly high Estimates of expenditure would weaken Parliamentary control, would add to the difficulties of the Chancellor of the Exchequer in ordinary years, and would result in an unnecessarily burdensome scheme of finance. On the other hand, inadequate provision would necessitate a further application to Parliament and would be still more disturbing to the settlement made by the year's Budget. It is therefore not uncommon for the Treasury to modify the Estimates first submitted, either by addition or by reduction. Official and semi-official discussions take place with regard to most of these modifications, but failing resort to the Cabinet, the last word rests with the Treasury,

which approves the gross and net total of the Estimate subject to any alterations which may become necessary before its presentation to Parliament.

A special procedure is resorted to in the case of the Estimates for Public Works and Buildings. Before these are settled, sketch Estimates are prepared by the First Commissioner of Works (for Great Britain) and the Commissioners of Public Works for Ireland. Personal conference between these authorities and the Financial Secretary to the Treasury takes place for the consideration of these programmes, and after discussion of the more dubious or less urgent items provisional totals are settled to which these Departments work in their definitive Estimates.

The Estimates for the Civil Services and the Revenue Departments when finally approved by the Treasury are signed by the Financial Secretary to the Treasury and presented by His Majesty's command to the House of Commons, together with a memorandum explanatory of the principal changes in the several Votes for the year and of any considerable variations over a period of years. The expenditure for ten years (the last two estimated) is summarised for each Vote in separate tables.

Each class of the Civil Service Estimates and the memorandum is at first issued separately, but subsequently the whole is brought together in one volume with an index. The Revenue Department Estimates (not issued in separate classes) form another volume. The Financial Secretary's memorandum upon the

Revenue Estimates is included in the volume of Civil Service Estimates.

The Estimates Circular is not sent to the Admiralty or to the War Office, which have considerable financial Departments of their own. The requirements provisionally formulated by the naval and military advisers respectively are translated into money by those Departments, the First Lord of the Admiralty and the Secretary of State for War confer with the Chancellor of the Exchequer upon the amount to which he is ready to assent for their services, and the total is finally settled by the Cabinet. When the approximate total figures of expenditure are agreed for each service, the Board of Admiralty and the Army Council settle their detailed programmes accordingly. The several Navy Votes and Army Votes are submitted one by one to the Treasury with explanations and a request for their approval. Discussion sometimes arises over points of detail, but, these Estimates depending largely upon policy, and the various totals having been already settled, the Treasury departmental examination is less profound than in the case of the Civil Estimates. When the Estimates for the fighting services are approved by the Treasury they are signed by the Board of Admiralty and the Army Council respectively, and are presented by His Majesty's commands to the House of Commons, with a decennial table of expenditure and statement of the principal differences from the current year's Estimates. A fuller memorandum, explanatory of these Estimates from the policy point

of view, is separately presented by the Minister at the head of each Department.[1]

There are thus four volumes of annual Estimates for the Navy, the Army, the Civil Service, and the Revenue Departments respectively.

By resolution of the 19th of February 1821 the House of Commons directs that whenever Parliament assembles before Christmas the Navy, Army, and Ordnance Estimates should be presented before the 15th day of January then next following, and that such Estimates should be presented within ten days after the opening of the Committee of Supply when Parliament does not meet till after Christmas. The directions given by this resolution are observed, as far as possible, not only by the Naval and Military but also by the Civil Service and Revenue Departments.[2]

The Civil Service Estimates are divided into eight classes:[3] (1) Public Works and Buildings, (2) Salaries and Expenses of Civil Departments, (3) Law and Justice, (4) Education, Science and Art, (5) Foreign and Colonial Services, (6) Non-effective and Charitable Services, (7) Miscellaneous, (8) Insurance and Labour Exchanges. These divi-

[1] A full description of the methods by which the Estimates are prepared in the various Departments and checked in the Treasury will be found in the evidence laid before the Select Committee on National Expenditure in 1902 and 1903, *House of Commons Papers 387 of 1902 and 241 of 1903*. See especially pp. 191-3, 197-8, 215-221 of paper *387* and pp. 13-15 of paper *241*. Reference may also be made to the evidence given by Sir R. Chalmers before the Select Committee on Estimates (*277 of 1912*), as to the procedure by which a total is fixed for Army and Navy Estimates.

[2] May, *Parliamentary Practice*, 11th ed., p. 546.

[3] Reduced to seven in 1914 by a rearrangement of Classes VI., VII., and VIII. into two.

sions make it possible to compare groups of national expenditure over a series of years, but are not otherwise of practical significance. The Revenue Departments Estimates are arranged in three classes: (1) Customs and Excise, (2) Inland Revenue, (3) Post Office.

Each class of the Estimates comprises a number of Votes (see Appendix IV.). Votes are divided into sub-heads, while many of the sub-heads are further divided into items. The arrangement of the Estimates rests with the Treasury, which, however, consults the Public Accounts Committee before making any important changes of form.

Each Estimate consists of three parts. Part I. is in the form "Estimate of the amount required during the year ending 31st of March 19 to pay the salaries and expenses of" the Department named. References are added to any statutes which constitute or throw specific duties upon the Department, and then follows the total amount of the grant required. Part II. is a table of the "sub-heads under which the Vote will be accounted for by the ( ) Department." These sub-heads are indicated alphabetically, thus—Sub-head A, Salaries, Wages, and Allowances; Sub-head B, Travelling; Sub-head C, Incidental Expenses, etc. Sometimes a self-contained group of sub-heads is inserted to provide for a distinct branch of services the cost of which it is desired to show separately. In such cases the headings Salaries, Travelling, and so forth may reappear.[1] Against each sub-head is stated the amount required during

[1] For the form of an Estimate see Appendix XII.

the year, and in another column is shown for comparison the amount granted for the corresponding service during the previous session. It would not be possible to make the comparison with the total sums granted up to the close of the financial year, as the Estimates for the following year are usually closed before the final Supplementary Votes are taken. When the totals in Part II. have been modified by Supplementary Grants in the previous session a footnote is added in the form :

Total original Net Estimate, 1912–1913 . . £
Add Supplementary Estimate . . .

Further columns give the increase or decrease for the year. If it is intended that services provided for in the current year under one sub-head should in future be classified under another sub-head of the same Estimate, the figures in the original sub-head for the current year are reduced and those in the second sub-head increased accordingly, in order that there may be a comparison of like with like, and the fact is noted on the Estimate. The transfer may, however, be to or from another Vote. In such cases the modification of the total in Part II. is explained in the form :

Original Net Estimate, 1912–1913 . . £
Deduct Transfer to Class ( ) Vote ( ) .
or *Add* Transfer from Class ( ) Vote ( ) .

Subject to these modifications by Supplementary Estimates, or by transfer between sub-heads or

between Votes, the figures for the current year agree with those presented in the last volume of Estimates. Items which appear for the current year, but for which provision is not needed in the next year's Estimate, are printed throughout in italic words and figures.

The account is divided into sub-heads merely for purposes of comparison of classified heads of expenditures, and may be said to be appended to the Estimate for information, and to facilitate control and intelligent study of the expenditure. In other words, Parliament votes the total but not the sub-heads, and the Treasury is empowered in its discretion to sanction the application of savings on one or more of the sub-heads to meet excesses on others if the total expenditure falls within the grant. In the same manner the Treasury may authorise the opening of a new sub-head within the year if occasion arises for such a course, provided that the new expenditure falls within the scope of Part I. of the Estimate. If it transcends Part I. (which is the basis of the resolution on which the Appropriation Act is framed) a Supplementary Estimate should be introduced.

When the sub-heads are added together there is deducted from the gross total any Appropriation in Aid or credit sub-head representing cash receipts by the Department which it may be authorised to utilise for its expenditure and set off against its gross requirements. The resulting difference, the net total or amount which requires to be voted, corresponds with the sum mentioned in Part I.

Part III. contains details of the totals inserted against the chief sub-heads in Part II. and shows the items by which they are built up. By means of these divisions and sub-divisions Parliament is fully informed as to the destination of the expenditure which it is asked to sanction, and is enabled to question any item the justification of which is not apparent.

It will be observed on reference to the Estimates that some of the sub-heads are described as Grants in Aid. These are block payments which it is desired to exempt from the operation of the ordinary detailed audit or from liability to surrender to the Exchequer any balance unexpended at the end of the year or from both of these requirements. A Grant in Aid to an outside body like the Royal Society or the Royal College of Music is paid over to those bodies in full. A receipt from the proper authority is then a sufficient voucher for the purpose of audit. The payment is in effect a donation or subscription and is not further followed up. The Grant in Aid to the National Gallery for the purchase of pictures is subject to audit in the ordinary way, but the unexpended balance (if any) is not surrendered. It is the duty of the Comptroller and Auditor-General to see that this grant is expended only for the purpose for which it is voted, and that any balance at the end of the year is added to the fund which the Trustees are allowed to accumulate for emergencies of purchases. Such an accumulation out of voted moneys is not permissible in the case of ordinary sub-heads. When an Estimate

includes a Grant or Grants in Aid the fact is mentioned in Part I., and a note to the Estimate shows what conditions are attached to each Grant in Aid.[1]

Appropriations in Aid are cash receipts used under strict regulations towards meeting the gross expenditure submitted to the House of Commons. The system as now applied was framed in pursuance of some observations by the Public Accounts Committee in 1881, but was only regulated by statute in 1891 (Public Accounts and Charges Act, 54 & 55 Vict. c. 24, s. 2).[2] The War Office receives over two and a half millions sterling annually from the Indian, Colonial, and Egyptian Governments for expenditure incurred for their benefit. If this sum were paid into the Exchequer, and a corresponding amount voted as expenditure, both the taxation and the cost of government would appear to be larger than they really are. Similar considerations apply to the receipts of other Departments, appropriated in aid. From the details set out in Part III. of their Estimates it will be seen that they consist of fees for services rendered, rents received, proceeds of sales of materials, etc. Unless the cash receipts are expected to amount to £1000 or over it would not usually be considered worth while to open a credit sub-head, but examples of smaller Appropriations in Aid will be found in the Estimates, either because the receipts are directed by

[1] For a criticism and defence of Grants in Aid as part of our financial system, reference may be made to *House of Commons Paper 387 of 1902*, pp. 213-14 and 225-6, and to Webb, *op. cit.* p. vii.

[2] See Appendix II. The amount of receipts which might be appropriated in aid was first shown in the Appropriation Act of 1894.

statute to be so applied or because the sub-heads are survivals from an earlier time when the receipts were (or were expected to be) larger in amount.[1]

In order further to avoid unduly inflating both sides of the national accounts and to escape unnecessary book-keeping and cash payments it is a rule of the public service that payments from voted moneys should not in ordinary circumstances[2] be made by one Department to another. With the object of showing the true cost of each Department a note is inserted after Part II. of each Estimate in the following form: "Provision is also made as follows in other Estimates for expenditure in connection with this service," with a reference to the Estimate in which each of these so-called Allied Services is provided, and the cost of the service as estimated by the Department which performs it. Examples are: Office Accommodation (Buildings, Furniture, Fuel and Light, etc.); Rates; Stationery and Printing; Pensions; Postal, Telegraph, and Telephone services.

Following upon this note sometimes appears a statement of estimated extra receipts in cash or through the medium of stamps. The fees for Civil Service examinations, *e.g.*, are paid mainly by stamps, which are, of course, not available for the payment of departmental expenses, and cannot be treated as Appropriations in Aid of the vote for the Civil Service

[1] See *House of Commons Paper 46 of 1896*. The advantages and disadvantages of the system of Appropriations in Aid are discussed on pp. 212-13 and 223-4 of *House of Commons Paper 387 of 1902*.

[2] "In ordinary circumstances," because Agency payments are permissible. See p. 71.

Commission. In other cases the extra receipts though in cash are not appropriated in aid, owing to the smallness of the amount or to their casual character, which makes it inadvisable to open a special credit sub-head in the Estimate. In yet other cases extra receipts in cash are separately inscribed because the total receipts exceed the necessary expenditure of the Department. Thus in the Estimate for the Mint, 1912–13, the gross expenditure amounts to £161,050, but the cash receipts are estimated at £962,000. The Appropriations in Aid are entered at £161,000, leaving a margin of £50 to be voted for the service, and the remaining £801,000 is shown as an Extra Receipt. This procedure is adopted in order that a Token Vote or Nominal Vote may be presented to the House of Commons, giving an opportunity for discussing and controlling the whole Estimate for the Mint. Extra receipts are paid into the Exchequer in all cases. The revenue collected by the Customs, Inland Revenue, and Post Office is paid into the Exchequer and not appropriated in aid.

The detail of a Salary Sub-head comprises the following columns:

Numbers.			Salary of Officer.			Provision required.	
1912–13.	1913–14.		Minimum. £	Annual Increment. £	Maximum. £	1913–14.	1912–13.
Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8

In Column 3 is stated the rank of the officer in the establishment. Extra remuneration received from

public funds by any officer in this list and exceeding £25 for the financial year, in addition to the ordinary emoluments of his office as provided in the Estimate, is mentioned in a note showing the amount of such remuneration, the service for which it is received, and the source from which it is provided.

A feature of the Estimates for Public Works and Buildings is a detailed table of new works, alterations, additions, and purchases in the following form :

Place and Nature of Work.	Original Total Estimate.	Revised Total Estimate.	Probable Expenditure to March 31, 1913.	Vote required for 1913–14.	Further Amount required for completing the Service.	Voted 1912–13.

These tables protect Parliament against committing itself without full information to a costly programme of building or works extending perhaps over two or three years or even for a longer period. If it is asked to vote an instalment, the amount already spent or remaining to be spent is brought out by the table.

Unforeseen circumstances may compel expenditure to be incurred in excess of the amount provided in the original Estimates. Supplementary Estimates are then necessary. Cases also arise in which owing to probable savings on certain portions of the Estimate the original grant will probably not be exceeded, but a new work or considerable variation of a works programme is proposed, and it is deemed desirable to bring the proposal to the knowledge of Parliament at the earliest opportunity. In such cases a Token Supplementary Estimate is presented, showing the

cost of the service and deducting from it a sum estimated to be available from savings on the original grant, leaving only a nominal total to be granted. Supplementary Estimates may be presented at any time, but the Treasury usually presents a batch in June or July in good time before the close of the Committee of Supply, and a further batch in February, to avoid any excess on the Votes before the end of the financial year. A Supplementary Estimate Circular is issued by the Treasury to the Civil Service and Revenue Departments before the "Spring Supplementaries" (in February) are prepared. This circular, which is a safeguard against Excess Votes, also calls for a forecast of the amount likely to be unexpended on the 31st March. No circular is issued for the "Summer Supplementaries." All Supplementary Estimates require the sanction of the Treasury, and are presented to Parliament in the same manner as the original Estimates for the Army, Navy, and Civil Departments respectively. The form of a Supplementary Estimate follows that of the original Estimate when one exists, except that Part I. is stated in such cases to be a "Supplementary Estimate of the amount required in the year ending, etc." If the Supplementary Grant is for a new purpose which cannot be brought within the scope of the original Estimate as defined in Part I. it is necessary that the new Part I. should be extended to cover it. Part II. contains only the sub-head or sub-heads which need revision or addition. A note is appended showing the amount of the original grant for the service, the

further amount now required, and the total of the revised Estimate as a whole. Part III. gives only such detail as is needed to explain the variations in the estimate from its original form.

It may here be mentioned that a Supplementary Estimate is required when either the net or the gross total of the original Estimate is likely to be exceeded. Suppose, for example, that an Estimate is presented showing a gross expenditure of £200,000 and Appropriations in Aid of £60,000, leaving a net total of £140,000 which is granted by Parliament. If this net amount proves insufficient, owing to increased expenditure or a falling off of Appropriations in Aid, a further grant must evidently be applied for. But if the actual gross expenditure amounts to £206,000 and the Appropriations in Aid realise £70,000, the net amount required is £136,000, which is less than the grant of £140,000. Nevertheless, a Supplementary Estimate for £6000 must be presented, though it would be reduced to a nominal net total by deducting increased Appropriations in Aid for, say, £5990. In other words, an increased receipt cannot be utilised to enlarge without Parliamentary sanction the gross expenditure as shown in the original Estimate.[1]

It sometimes happens that the House desires to grant exceptionally a sum of money for some special service, such as a monument to a deceased statesman. In this case an address to the Crown is moved, asking that the expenditure may be incurred and stating that "this House will make good the same." This procedure

[1] See p. 72 as to naval and military services.

is useful in cases where policy recommends that proposals for expenditure should appear to come not from the Ministry but from the body of the House.[1] Special expenditure may also be initiated by a message under the royal sign-manual, communicated to the House by a Minister. All these Exceptional Grants, as they are called, must, of course, be voted in a Committee of the whole House.

Excess Votes, Votes on Account, and Votes of Credit are referred to in Chapter III.

[1] Redlich, *Procedure of the House of Commons*, Eng. trans., 1903, iii. 123-4.

CHAPTER II

THE CONSOLIDATED FUND AND THE EXCHEQUER

In 1785 the Commissioners of Public Accounts called attention to the intricacy of the system under which various public charges were earmarked against particular sources of revenue. Thus, for example, no fewer than seventy-four charges involving seventy-four separate accounts were imposed upon the Customs revenue, the Militia charges were defrayed from the Land Tax, and certain hereditary annuities were met out of the Post Office revenue. To sweep away such complications the Commissioners recommended that there should be formed " one Fund into which shall flow every stream of the public revenue and from whence shall issue the supply for every public service." Effect was given to this recommendation in 1787 by the Consolidated Fund Act 27 Geo. III. c. 13.

The keystone of our present financial system is the Exchequer and Audit Departments Act, 1866.[1] Under this Act—with some exceptions hereafter referred to—the revenue of the Government is paid into His Majesty's Exchequer account at the Bank

[1] Appendix I.

of England and the Bank of Ireland. The duty of banking the public revenues in Scotland and remitting them to the Bank of England is performed by six Scottish banks in annual rotation. The moneys standing to the credit of the Exchequer account constitute the Consolidated Fund.

A technical distinction is drawn in Acts of Parliament between moneys which may be paid without further authority than that of the Acts by which they are authorised once for all and moneys which require a vote of the House of Commons in Committee of Supply. The former are described as payments to be " made out of the Consolidated Fund," charges " upon the Consolidated Fund and the growing produce thereof " (*i.e.* the accumulating balance), or by some expression to the same effect. The latter are described as payments to be " made out of moneys provided by Parliament " and are known as Supply Charges. These charges, too, are eventually paid out of the Consolidated Fund. The distinction in their case is that a previous vote in Supply is required. The Estimates described in the last chapter embody the Supply charges for the year.

It is evident that charges upon the Consolidated Fund have a greater permanence and fixity than those which, coming under annual review in the House of Commons, are subject to the delay or uncertainty of a Vote. The Civil List and the charges for the service of the National Debt are statutory bargains into which the public has for value received solemnly entered with the Sovereign and with its creditors.

The salaries of the Speaker of the House of Commons, the Judges, the Comptroller and Auditor-General, for example, are placed upon the Consolidated Fund in order to safeguard their independence more effectually than if their actions could be canvassed in the course of discussion on the annual Estimates. There are also charged upon the Consolidated Fund certain dotations in perpetuity to the representatives of national heroes—the Duke of Schomberg, Rodney, Nelson, and others—and a number of items, many of small amount, for various historical reasons. Charges are not now raised against the Consolidated Fund without special justification for withdrawing them from annual consideration by the House of Commons.

An abstract account of the issues from the Consolidated Fund is presented to Parliament every year together with the report of the Comptroller and Auditor-General thereon pursuant to section 21 of the Act 29 & 30 Vict. c. 39. Fuller details are shown in the annual Finance Accounts (see Chapter V.). The total Consolidated Fund Services in 1912–13 amounted to about £37,000,000, and the Supply services to £151,604,000.

An undertaking was given to the House of Commons by the First Lord of the Treasury (Mr. W. H. Smith) and the Chancellor of the Exchequer (Mr. Goschen) on the 16th May 1889 that "no pensions, not even those for honourable service, not even those sanctioned by the authority of Act of Parliament, shall be commuted until after the terms of the commutation have been laid upon the table of Parliament

for 30 days, so as to give Parliament an opportunity of expressing its opinion upon those terms if it thinks fit to do so." [1] The presentation of a Return showing the nature of the transaction, the annual charge redeemed, the amount of redemption money, how it is provided, and the terms of redemption is required by statute (36 & 37 Vict. c. 57, s. 6; 46 Vict. c. 1, s. 1; 46 & 47 Vict. c. 55, s. 18). The undertaking goes beyond these requirements by pledging the Government to consult the House before commutation of a pension instead of apprising it of an accomplished fact. The statutes referred to contain limitations as to the form and the amount of the consideration to be paid in certain classes of commutation.

The forecast of the amount required for Consolidated Fund charges in the next financial year is framed by the Treasury after consultation with the National Debt Commissioners. Added to the estimated Supply charges it gives the total estimate for which provision must be made in the Budget exclusive of any new charges which Government may propose to create in the course of the year.

Under section 10 of the Exchequer and Audit Act, 1866, the Commissioners of Customs and Excise, the Commissioners of Inland Revenue, and the Postmaster-General are required to cause the gross revenues of their Departments to be paid in accordance with Treasury regulations into His Majesty's Ex-

[1] *Hansard*, 3rd series, vol. 336, column 296. For an example of a Treasury Minute complying with this promise see *House of Commons Paper 186 of 1906*.

chequer account at the Banks of England and Ireland respectively after deduction of the payments for drawbacks, bounties of the nature of drawbacks, repayments, and discounts. It will be observed that the deductions include only moneys which the Exchequer has no claim to retain. Examples are moneys paid by mistake, or collected by Government to be passed on to a third party to whom they belong, as in the case of money for foreign telegrams in so far as they are transmitted abroad over cables owned by private companies, the railway share of charges upon parcels conveyed for the Post Office, etc.

The same section directs that all other public moneys payable to the Exchequer are to be paid to the same account.

Section 12 of the same Act requires quarterly accounts of the income of and charges upon the Consolidated Fund to be prepared, and if it appears from any such account that there is a deficiency in the Consolidated Fund, *i.e.* if the balances at the close of the quarter are not sufficient to meet the charges accruing up to the fifth day of the following month (being the date on which the interest on the National Debt is payable [1]), the Comptroller and Auditor-General is to certify the amount of the deficiency to the Bank of England or Ireland, and those Banks are thereupon authorised to make advances (known as Deficiency Advances) which are to be repaid with interest out of the growing produce

[1] See note on p. 1. The financial year at one time ended on the 5th January.

of the Consolidated Fund in the next succeeding quarter.

Detailed reference will be made later to the items of Exchequer receipts and issues and to the method of operating upon the account. It suffices for the present to point out that the sums paid into or out of the account in the year are not necessarily the true income or expenditure of the year. As already mentioned, sums received by certain Departments are utilised by them as Appropriations in Aid of their Votes instead of being paid into the Exchequer and reissued to meet the necessary expenses of the Department. Certain special accounts (see Chapter IX.) have also been created by Parliament to be kept apart from the Exchequer account. Moreover, the account has the advantages and disadvantages of a pass-book or cash account. It begins the year with a balance, and is fed by revenue payments, by borrowings, and by repayments of advances made from the Exchequer. It is drawn upon for national services, for advances, and for the repayment of debt, contains a number of cross entries, and includes certain capital transactions. The borrowings and repayments for the year may not be identical. Outstanding amounts on both sides of the account on the 31st March may differ from those on the previous 31st March. Grants and Issues will differ. The Exchequer balance at the end of the year will for all these reasons be greater or less than at the beginning. If it is depleted below the amount needed for a working balance it may be necessary to replenish it by borrowing.

The revenue is paid into the Exchequer by the great receiving Departments in round sums from time to time. These Departments are for convenience allowed, so far as amounts due to them from the Exchequer go, to meet current expenses temporarily out of cash in their hands. Issues from the Exchequer to the Paymaster-General for the public services, and to the Bank of England for payment of interest on the national debt, are also made in round sums. Floating balances in the hands of some Departments—notably the subsidiary accounts of the National Debt Commissioners—are used temporarily for current expenses. It follows that at the close of business on the 31st March sums may be due by the Exchequer to receiving Departments, that revenue may have been received by the Departments but not yet paid in to the Exchequer, that cheques drawn on the Exchequer are still outstanding, and that imprests or advances of varying amounts are in the hands of sub-accountants. Nevertheless in a normal year the true revenue and the Exchequer receipts, the true expenditure as audited and the Exchequer issues, are found to differ comparatively little.

The state of the Exchequer account is shown in the Returns published quarterly by the Treasury in the *London Gazette* in a form following closely the account shown on pp. 44-51. Except for the separate statement of balances at the Bank of England and at the Bank of Ireland the Exchequer account is treated in the published accounts as one account.

CHAPTER III

THE ESTIMATES IN PARLIAMENT

WE have seen the preparation of the Estimates by the Departments. Let us now follow them into Parliament.

Each session of Parliament is opened by a speech from the Throne, in the course of which the Sovereign, addressing himself exclusively to the Gentlemen of the House of Commons, informs them that Estimates for the requirements of the public services for the coming year have been prepared and will be laid before them. In reply to the Speech an Address is moved, and a discussion upon the Address, ranging over a variety of topics, occupies the House for some days—usually to the end of the second week. When this has been disposed of the House immediately settles down to the financial business which is the backbone of the work of each Session, and there is usually a race against time to complete the necessary financial steps before the 31st of March.

Reference to the Journals of the House will show that as soon as the Address has been agreed to, the following steps are taken:

Resolved that this House will (to-morrow) [1] resolve itself into Committee to consider of the Supply to be granted to His Majesty.

Ordered that the several Estimates presented to this House during the present session be referred to the Committee of Supply.

Resolved that this House do (to-morrow) [1] resolve itself into Committee to consider the Ways and Means for raising supply to be granted to His Majesty.

Resolved that the Committee of Public Accounts do consist of fifteen members:

That (here follow the names) be members of the said Committee.

That the Committee have power to send for persons, papers, and records.

That five be the quorum.

It has already been mentioned that the grants made in Supply are "for the year ending the 31st March 19 ." Such grants are not available for the service of another year. It is therefore necessary before the 1st April to obtain interim authority from Parliament to meet the Supply charges which will come into course of payment on and after that date before the new Estimates have been passed. It is also necessary to regularise the finance of the current year in case any Supply services require further grants supplementary to those already voted. In that case Supplementary Estimates are presented. Or it may be necessary to make good a deficit or over-spending which the audited accounts have disclosed for the previous year.[2] For that purpose

[1] Or at some other early date.

[2] The over-spending may have been rendered possible by the utilisation of extra receipts or by an advance from the Civil Contingencies Fund.

an Estimate for an Excess Vote is presented, but is not considered by the House until the Public Accounts Committee have presented a special Report recommending that it should be passed. As a general rule Excess Votes (which are combined into a single resolution) should be taken before the close of the financial year following that in which the excess occurred; but, by desire of the House or for the convenience of Parliamentary business, the Vote is sometimes postponed to a later date.[1]

As regards the coming financial year, pending the detailed consideration and final approval of the Estimates, provision is made by a Vote on Account for the Civil Services and Revenue Departments. The Vote was until 1896 usually taken for not more than two months' expenditure, and a second or even a third Vote on Account according to the duration of the Session and the progress in Supply was sometimes necessary. The changes made in the procedure of Supply in 1896 were thought to justify taking a single Vote for four or five months' expenditure covering the length of the normal Session after the 1st April. But in the exceptional circumstances of 1911 a shorter Vote was again resorted to, representing about three months' expenditure. An Estimate is presented showing the total amount required for each Vote for the whole year and the amount required

[1] *E.g.* Army Excess Vote 1900–1, postponed to 1902–3; Army Excess Vote 1901–2, postponed to 1903–4; Naval and Civil Excess Votes 1903–4. postponed to 1905–6.

on account for each Vote. Thus on the 8th March 1911 the Resolution moved in Committee of Supply runs: "That a sum not exceeding £19,350,000 be granted to His Majesty on account for or towards defraying the charges for the following Civil Services and Revenue Departments for the year ending on the 31st of March 1912, viz.:

CIVIL SERVICES

Class II. Foreign Office	£20,000
Class I. Royal Palaces . . .	..
Etc., etc.	..
Total . .	£19,350,000

(*Note.*—The sum taken represents a provision for about three months' expenditure.)"

The Foreign Office was placed first on the list by desire of the House in order that a discussion might take place upon Foreign Affairs. The other Votes are arranged in order of classes as they appear in the Estimates. The Vote which is set down first is different from year to year. A Vote on Account should not include any new service unless such service has been authorised by Act of Parliament. Otherwise, by granting an instalment, the House might prejudice its opportunity of objecting to the inception of a Vote which had not come under adequate Parliamentary consideration in a previous Session.

No Vote on Account is taken for the fighting services, but after the number of men and boys to be employed is approved, one Army Vote and one Navy Vote is taken—usually Vote 1 for the land forces

and for the fleet.[1] The money so voted is applicable to any Army Services or any Naval Services as the case may be, pending the fuller provision required.[2]

Before the House goes into Committee of Supply a motion is made "that the Speaker do now leave the Chair." This process of "setting up Supply" with the incidental necessity for "getting the Speaker out of the Chair" is repeated three times: once for the Army Estimates, once for the Navy Estimates, and once for the Civil Service and Revenue Estimates. On the motion for going into Supply on the Army Estimates any question affecting Army administration may be raised and discussed, and a day or two is usually allowed for that purpose. So also with the Navy. There is no need to "move the Speaker out of the Chair" for the consideration of Supplementary Estimates or Excess Votes. The Speaker will not accept a motion that he should leave the Chair for consideration of a branch of Supply until the Estimates for that branch are in the hands of members; but a Vote on Account, since it does not include new services, may be taken before the Estimates to which it relates have been delivered.[3] Standing Orders[4] 15 (6) lay down that not more than one of the allotted days in Supply shall be devoted to any Vote on Account, and not more than one sitting to the report of that Vote.

[1] In 1905 the first Money Vote taken for the Army was Vote 7 (Supplies and Clothing).

[2] See *post*, p. 70.

[3] See *Hansard*, 3rd issue, 341, p. 1518; 4th series, 79, p. 821.

[4] See Appendix XI.

When the Votes have been agreed to in Committee of Supply they are reported to the House, and when the House has approved of the Votes the next step required is to provide funds or Ways and Means with which to meet the expenditure authorised. For this purpose the House goes into Committee of Ways and Means—a Committee of the whole House. The resolutions of that Committee for raising supplies of the necessary amount [1] are reported to the House for its approval. Directions are given by the House to draw up a Bill to carry them into effect, and this is done by the officers of the House in the Consolidated Fund (No. 1) Bill, a short measure authorising the Treasury to issue from the Consolidated Fund a specified amount "towards making good the Supply granted to His Majesty for the year ending on the 31st day of March 19 ." The amount so authorised may be used to make good the Supply so granted at the time of issue, whether Army, Naval, or Civil, though the Ways and Means Bill may have been based merely upon a Vote for one or two instead of all three of these services.[2] A specimen of a Consolidated Fund (No. 1) Bill will be found in Appendix V. It must pass through all its stages in both Houses of Parliament and receive the Royal Assent in time for the issue of the necessary funds from the Exchequer before the 31st March. As we shall see hereafter a Royal Order is necessary to place at the disposal of

[1] The Committee of Ways and Means may not vote sums in excess of the expenditure voted by the Committee of Supply.

[2] Section 2 of Public Accounts and Charges Act, 1891, printed in Appendix II.

the Treasury the supply granted to His Majesty. Moreover, the Bank of Ireland being closed for business on the 31st of March, the Irish issues must be made on the 30th of March at the latest. To sum up, the financial procedure required before the end of March includes the passing of Supplementary Estimates and Excess Votes if required, a Vote on Account for the Civil Service and Revenue Departments, two substantial Money Votes (one for the Army and one for the Navy), and a Consolidated Fund Act making good the Supply which has been granted. All these steps should be completed two or three clear days before the 31st March, to afford time for the formalities mentioned above.

A Money Bill,[1] *i.e.* a Bill of which the main object is to grant money, must originate in a Committee of the whole House. Notice must be given for the House to go into Committee for the purpose of originating the Bill. A resolution is then passed in Committee that it is expedient to grant the money, and to make such legislative provisions as are required for the purpose of the Bill. This resolution is framed by the officers of the House in the Public Bill Office after seeing the proposed Bill, and care must be taken that the terms of the resolution are sufficiently wide to cover the whole of the Bill.[2]

Standing Order 15 provides as follows:

Section (2): Not more than twenty days, being days before the 5th of August, shall be allotted for the consideration of

[1] See (Appendix XIV.) 1 & 2 Geo. V. c. 13, s. 1 (2) for statutory definition.

[2] Ilbert, *Legislative Methods and Forms*, 1907, p. 99.

the annual Estimates for the Army, Navy, and Civil Service, including Votes on Account. The days allotted shall not include any day on which the question has to be put that the Speaker do leave the Chair, or any day on which the business of Supply does not stand as first order.

Section (7): At 10 of the clock on the last day but one of the days so allotted the Chairman shall forthwith put every question necessary to dispose of the Vote then under consideration, and shall then forthwith put the question with respect to each class of the Civil Service Estimates, that the total amount of the Votes outstanding in that class be granted for the services defined in the class, and shall in like manner put severally the questions that the total amounts of the Votes outstanding in the Estimates for the Navy, the Army, and the Revenue Departments, be granted for the Services defined in those Estimates.

Section (8): At 10 of the clock of the last, not being earlier than the twentieth, of the allotted days, the Speaker shall forthwith put every question necessary to dispose of the report of the resolution then under consideration, and shall then forthwith put, with respect to each class of the Civil Service Estimates, the question that the House doth agree with the Committee in all the outstanding resolutions reported in respect of that class, and shall then put a like question with respect to all the resolutions outstanding in the Estimates for the Navy, the Army, the Revenue Departments, and other outstanding resolutions severally.

This process is usually referred to as the "Guillotine."[1] The old practice under which each Vote required to be passed separately had become unworkable. The practice now is for the Opposition to choose the Votes which shall be set down for discussion, and when the allotted time has been exhausted all the outstanding Votes are passed without debate.

[1] The Guillotine Standing Order initiated in 1896 was passed in its present form on the 28th April 1902.

Let us suppose that the Vote set down for a particular day by arrangement between the Whips is the Vote for the Board of Education. As soon as the arrangement has been announced, Members give notice of motion that such and such an item be reduced by a certain sum, for example, that the salary of the President be reduced by £100. As it is out of order (S. O. 66) that a motion to increase expenditure should be made unless recommended from the Crown, it follows that a critic who wished to complain that an insufficient sum was provided for some educational service would be compelled to make his motion in the form that the Estimate be reduced. Discussions in Supply are of a conversational order, and the same Member may speak more than once. If the debate is not concluded, and the Vote is not taken before the conclusion of the sitting, it is either set down for another day, or comes under the operation of the Guillotine at the final closing of Supply.

As certain advances have been made in the Vote on Account, the form of the Resolution, when the original Estimate is discussed, is:

> That a sum not exceeding ( ) pounds be granted to His Majesty to *complete* the amount required to defray the salaries and expenses of the ( ) Department during the year ending 31st of March 19 .

At the close of the Session the Appropriation Act authorises the issue out of the Consolidated Fund of the balance of Supply granted for the service of the year. A Schedule to the Act appropriates the

Supply grants to the specific purposes and services set forth in the Schedule.[1]

When the Committee of Supply has concluded a sitting it resolves to report progress and ask leave to sit again. The House then resumes. The Chairman reports accordingly to the House, which orders that the reports be received on a day named, and that the Committee sit again. If the Committee adjourned without taking this step it would be necessary to "set up Supply" afresh by a speech from the Throne or by a Royal message.

Supply is the first order of the day in the House of Commons on Thursdays, but is also set down for Mondays and Wednesdays. The business of Supply, apart from getting the Speaker out of the Chair, and Supplementary Estimates, extends over about ten weeks, and usually carries the House down to the end of July or the beginning of August. A large part of the Parliamentary Session is thus occupied by the consideration of the Estimates.

As a safeguard against the guillotining of a contentious Vote which Members have had no opportunity of signifying a desire to discuss, Standing Order 15 (10) provides that:

> Any additional Estimate for any new matter not included in the original Estimates for the year shall be submitted for consideration in the Committee of Supply on some day not later than two days before the Committee is closed.

[1] See Appendix VI. The Consolidated Fund Bill (No. 1) may be followed by one or more Bills as Supply proceeds until the whole supply of the Session is completed and appropriated in the Consolidated Fund (Appropriation) Bill, except the Spring Supplementaries, which are appropriated in the Bill of the following Session.

An Estimate of this kind bears upon its face the words "New Service."

If a Supplementary Estimate has not been taken before the Original Estimate, the two are combined in a Resolution:

> That a sum not exceeding (including a supplementary sum of) be granted to His Majesty, etc. etc.

It is unnecessary here to enter into the minutiae of Parliamentary procedure, but it may be convenient to state that discussion on a Supplementary Estimate is by the practice of the House restricted to the particular purposes for which the Supplementary Grant is required.[1] In Committee of Supply an amendment is put in the form: "That the words proposed to be left out stand part of the question." This gives abundant opportunity for moving further amendments. On the Report Stage, however, the motion before the House is: "That the House doth agree with the Committee in the said Resolution," and on this a motion to reduce an item is not in order. An amendment may be moved to the whole Vote on report, and must be brought forward after the second reading of the Resolution. When it has been decided no further amendment can be proposed.

A Member may, of course, only speak once on the Report Stage.

A Vote of Credit is proposed to the House of Commons in case of unforeseen national emergency

[1] The rule was laid down by Lord Courtney on 19th February 1886 and 30th August 1887.

when, for example, it is necessary to make immediate preparation for naval or military operations. The Resolution takes the form: "That a sum not exceeding £ ( ) be granted to His Majesty *beyond the ordinary grants of Parliament*" to defray the charge, etc. The words which have been placed in italics indicate the exceptional character of the proceedings.

In 1912 Government gave effect to a recommendation of the Select Committee on National Expenditure 1903, that a Select Committee should in each Session be appointed to examine and report on such of the Estimates presented to the House as may seem fit to the Committee. As in the case of the Public Accounts Committee, the Chairman is selected from the Opposition, and questions of policy are ruled out from the purview of the Committee. The Reports of this Estimates Committee in 1912 and 1913 have been mainly confined to questions of form and to examination of the methods of estimating and the justification of Estimates. The Committee reports its conclusions to the House, and the Treasury issues a Minute giving effect to the recommendations of the Committee or stating its reasons for dissent. This Minute is laid before the Committee at its first sitting in the following Session.

CHAPTER IV

THE BUDGET AND THE FINANCE BILL

THE Budget may be defined as the estimated balance-sheet of the revenue and expenditure of the financial year.[1] On the Continent of Europe the Estimates of Revenue and Expenditure are presented as a whole for the sanction of the legislature in a Budget Bill, but in England the Estimates of Expenditure only are formally voted in detail, the scheme of revenue apart from its anticipated results alone receiving formal Parliamentary authority.

As soon as possible after the close of the financial year the Chancellor of the Exchequer opens his Budget in a speech in the House of Commons, disclosing the out-turn of the past year, the revenue, the expenditure, the state of capital liabilities, including the National Debt, and the realised surplus or deficit so

[1] The word Budget is derived from the French *bougette*, a diminutive of *bouge*, a leather bag. *Bouge* is found in Wycliffe as early as 1388. The term Budget in its present signification came into use in England early in the eighteenth century. Walpole's financial scheme was satirised in 1733 in a pamphlet entitled *The Budget Opened*. He was presented as a conjuror, the Budget being his wallet or bag of tricks.—Murray, *New Historical Dictionary of the English Language*, s.v. "Budget."

far as this is shown by the Exchequer account—the audited expenditure being not yet ascertained. The comparison of Estimates with results, the explanations of variations, the comments upon the trend of industry and commerce, the bearing of new facts upon the finance of the past and possibly of the coming year, while keeping Members upon the tenter-hooks of expectation as to new financial measures, compel their attention once a year to a general survey of our financial position, and throw light upon the necessities of the immediate future. Of late years this portion of the Budget speech has been abridged, and a white paper presented to Parliament summarises the financial results of the past year.

The requirements of the new financial year so far as Supply Services are concerned are already known to the House through the Estimates. To these are added the Consolidated Fund charges and any new expenditure not included in the Estimates upon which Government may propose to embark if it can obtain the approval of the Parliament. To meet all these requirements there are available the proceeds of taxation and other resources on the existing basis. The estimated yield has been framed by the several Departments concerned to the best of their ability after taking into account the state of trade and all other factors likely to influence the revenue. The system followed in some countries abroad of adhering precisely to the last realised results with such modifications as may be indicated by changes in legislation, or

of taking an average of receipts over a specific period, is a safeguard against inflated estimates of revenue which has not been found necessary in England, where the principle followed has been to make the best estimate possible within prudent limits, and to bear the brunt of criticism when the forecast proves defective. The figure arrived at on this basis is compared with the estimated expenditure, and if there is a surplus or a deficit the question arises how it shall be dealt with. A surplus may be used to increase Exchequer balances, to reduce debt, to remit taxation by reducing or repealing existing charges, or by a combination of these courses. A deficit may be met conversely by decreasing Exchequer balances, by adding to the debt, or by increasing taxation. Even though the Budget approached equilibrium it might conceivably be thought desirable to increase certain heads of revenue and to effect a compensating reduction of other taxes. The authority of Parliament for the necessary steps is sought in the Finance Bill.

In so far as the past year is concerned a realised surplus, unless Parliament otherwise determines, is applied to the redemption of debt as the Old Sinking Fund (see Chapter VIII.). A realised deficit may be met out of Exchequer balances, if the deficit is not too large to make such a course practicable, or by borrowing with the authority of Parliament, or by being carried forward as expenditure to be met out of the revenue of the following year.

The Budget speech is made in Committee of Ways and Means—which is, as already stated, a Committee of the whole House—and as soon as possible after its completion the Committee is asked to vote the necessary resolutions. The majority of taxes rest upon permanent statutes, but in order to ensure adequate control by the House of Commons, two taxes—one an indirect tax, the Tea Duty, and one a direct tax, the Income Tax—are of only annual duration. The Tea Duty runs from the 1st July, and the Income Tax from the 6th April in each year. Resolutions are therefore proposed fixing the amount of the Tea Duty and of the Income Tax for a further year either at the old or a new rate. If any change is proposed (*a*) in the Income Tax or (*b*) in indirect taxation a resolution is taken immediately to avoid (*a*) inconvenient adjustment of deduction of Income Tax or (*b*) loss to the revenue either by forestalling the tax (rushing in imports before it is raised) or by delaying imports as far as possible if the tax is to be reduced. A resolution of the House of Commons, to which retroactive effect is given by an Act of the same financial year, has in the past been acted upon immediately by the Revenue Departments. The decision in *Bowles* v. *The Bank of England*, affirming the principle that there is no legal authority for the collection of new taxes until the Act of Parliament has received the Royal Assent, has led to the passage of an Act in 1913 (3 Geo. V. c. 3) giving statutory sanction for the old practice, with certain limitations.

When the House has approved the resolutions of the Committee of Ways and Means effect is given to them in the Finance Bill.

Until 1894 the taxes for the year were embodied in a Customs and Inland Revenue Bill, but in the year mentioned, on the inclusion of the Death Duties, the scope of the Bill was enlarged, and its title was changed to Finance Bill. In 1899 provisions relating to the National Debt were included. Special applications or modifications of the Sinking Funds are now enacted in the Finance Bill. Measures amending financial legislation apart from the Budget proposals are included in a Revenue Bill.

The calculations of the Chancellor of the Exchequer would be upset if other Bills were introduced and passed disturbing his financial arrangements. Accordingly, all Bills which lay a charge upon the Consolidated Fund or on the Supply Services must receive the assent of the Crown, signified to the House by a Privy Councillor (in practice a Minister), before they are introduced into Parliament. When a Bill proposes to create a public charge, the clauses creating the charge are printed in italics, technically termed *blanks*, and must be sanctioned by a Committee of the whole House, and agreed to on report before they are discussed in Committee on the Bill. "The Crown demands money, the Commons grant it, and the Lords assent to the grant; but the Commons do not vote money unless it be required by the Crown, nor impose or augment taxes unless they be necessary for the public service as

declared by the Crown through its constitutional advisers." [1]

The course of the Budget and other Money Bills in the House of Lords is now regulated by the Parliament Bill, 1911.[2]

[1] May, 11th ed., p. 545.
[2] See Appendix XIV.

CHAPTER V

FINANCE ACCOUNTS

THE Finance Accounts of the United Kingdom of Great Britain and Ireland for the Financial Year, described by Lord Goschen in 1891 as the "official and statutory balance-sheet of the nation," are, pursuant to Section 2 of the Act 17 & 18 Vict. c. 94, prepared by the Treasury and laid before Parliament on or before the 30th June in each year. *Parliamentary Paper No. 173, 1913*, price 5½d., is a small Blue Book of 101 pages which opens with the account of Exchequer Receipts and Issues in the year ending 31st March 1913, and the Balance in the Exchequer at the commencement and termination of the year. The account, rounding off shillings and pence, is as follows:

[TABLE

REVENUE AND EXPENDITURE AND OTHER EXCHEQUER ACCOUNT showing the whole of the Receipts into and Issues out of the Exchequer in the Year ended 31st March 1913, and the Balances in the Exchequer at the Commencement and Termination of the Year.

Receipts.	Amounts.	
	£	£
BALANCE IN THE EXCHEQUER ON THE 1ST APRIL 1912:		
At the Bank of England . .	10,623,073	
At the Bank of Ireland . . .	845,518	
Total . . .		11,468,591
REVENUE RECEIVED INTO THE EXCHEQUER, viz.:		
Customs	33,485,000	
Excise	38,000,000	
Estate, etc. Duties	25,248,000	
Stamps (exclusive of Fee, etc. Stamps)	10,059,000	
Land Tax	700,000	
House Duty	2,000,000	
Property and Income Tax (including Super-Tax) . . .	44,806,000	
Land Value Duties	455,000	
Post Office	29,175,000	
Crown Lands (Net)	530,000	
Receipts from Suez Canal Shares and Sundry Loans . . .	1,418,899	
Miscellaneous (including Fee, etc. Stamps)	2,925,100	
Total Revenue . .		188,801,999
Carried forward . . .		200,270,590

RECEIPTS AND ISSUES IN THE YEAR 1912–13.

Issues.	Amounts.	
	£	£
CONSOLIDATED FUND SERVICES:		
National Debt Services:		
Inside the Permanent or Fixed Annual Charge—		
Funded Debt:		
Interest	15,000,752	
Terminable Annuities . . .	3,540,175	
Unfunded Debt:		
Interest	1,171,863	
Management of the Debt . .	166,907	
New Sinking Fund . . .	4,620,303	
		24,500,000
Road Improvement Fund . . .		1,172,205
Payments to Local Taxation Accounts, etc.		9,653,299
Other Consolidated Fund Services:		
Civil List	470,000	
Annuities and Pensions . .	320,883	
Salaries and Allowances . .	56,468	
Courts of Justice	523,450	
Miscellaneous Services . .	321,625	
		1,692,426
SUPPLY SERVICES, viz.:		
Army Services	28,070,800	
Ordnance Factories	200	
Navy Services	44,365,000	
Miscellaneous Civil Services . .	51,944,000	
Customs and Excise 2,324,000		
Inland Revenue . 1,876,000		
	4,200,000	
Post Office Services	23,024,000	
		151,604,000
TOTAL EXPENDITURE CHARGEABLE AGAINST THE REVENUE (carried forward)		188,621,930

ACCOUNT showing the whole of the Receipts into and Issues out of the Exchequer in the Year ended 31st March 1913, etc.—*continued.*

Receipts.	Amounts.	
	£	£
Brought forward		200,270,590
Other Exchequer Receipts, viz.:		
REPAYMENT OF ADVANCES:		
For purchase of Bullion for Coinage	1,400,000	
Interest on Exchequer Bonds issued under the Capital Expenditure (Money) Act, 1904, repaid from Army and Navy Votes	138,045	
Total . . .		1,538,045
MONEY RAISED BY RENEWAL OF BILLS AND BONDS:		
By Treasury Bills for Supply .	30,400,000	
By issue of Exchequer Bonds under the Capital Expenditure (Money) Act, 1904	4,060,900	
Total . . .		34,460,900
Carried forward . . .		236,269,535

Issues.	Amounts.	
	£	£
Brought forward		188,621,930
Other Exchequer Issues, viz.:		
ISSUES TO MEET CAPITAL EXPENDITURE:		
Telegraph Acts, 1892 to 1907 .	1,000,000	
Telephone Transfer Act, 1911 .	390,000	
Military Works Acts, 1897 to 1903	50,000	
Land Registry (New Buildings) Act, 1900	18,000	
Public Buildings Expenses Act, 1903	20,000	
Public Offices Site (Dublin) Act, 1903	10,000	
Total . . .		1,488,000
ADVANCES:		
For purchase of Bullion for Coinage	1,550,000	
Interest on Exchequer Bonds issued under the Capital Expenditure (Money) Act, 1904, repayable from Army and Navy Votes	138,045	
Total . . .		1,688,045
BILLS AND BONDS PAID OFF SUBJECT TO RENEWAL:		
Treasury Bills for Supply . .	29,000,000	
Exchequer Bonds issued under the Capital Expenditure (Money) Act, 1904 . . £4,781,700		
Less.—Paid off by the National Debt Commissioners . . 720,800		
	4,060,900	
Total . . .		33,060,900
Carried forward . . .		224,858,875

ACCOUNT showing the whole of the Receipts into
ended 31st March

Receipts.	Amounts.	
	£	£
Brought forward		236,269,535
MONEY RAISED BY CREATION OF ADDITIONAL DEBT: [1]		
For the purposes of the Telegraph Acts, 1892 to 1907:		
By Terminable Annuities chargeable on Post Office Vote	1,000,000	
For the purposes of the Telephone Transfer Act, 1911:		
By Terminable Annuities chargeable on Post Office Vote	390,000	
For the purposes of the Military Works Acts, 1897 to 1903:		
By Terminable Annuities chargeable on Army Votes	50,000	
For the purposes of Land Registry (New Buildings) Act, 1900:		
By Terminable Annuities chargeable on Vote for Public Buildings, Great Britain	18,000	
For the purposes of the Public Buildings Expenses Act, 1903:		
By Terminable Annuities chargeable on Vote for Public Buildings, Great Britain	20,000	
For the purposes of the Public Offices Site (Dublin) Act, 1903:		
By Terminable Annuities chargeable on Vote for Public Works and Buildings, Ireland	10,000	
Total . . .		1,488,000
Carried forward . . .		237,757,535

[1] Exchequer Bonds for £7,000,000 were issued in the year to the
their undertaking under the Telephone Transfer Act, 1911. The trans-
receipt or issue of cash.

and Issues out of the Exchequer in the Year
1913, etc.—*continued.*

Issues.	Amounts.	
	£	£
Brought forward		224,858,875
OLD SINKING FUND, 1907–8:		
Amount issued in 1912–13 under Section 9 of the Finance Act, 1908		34,000
OLD SINKING FUND, 1910–11:		
Amounts issued in 1912–13 under the Finance Act, 1911:		
Section 16 (1) (*a*) . . .	1,500,000	
Section 16 (1) (*b*) . . .	35,500	
Total . . .		1,535,500
OLD SINKING FUND, 1911–12:		
Amount issued to the National Debt Commissioners		5,000,000
Carried forward . . .		231,428,375

National Telephone Company in part payment of the purchase money of
action does not appear in this account, as it did not involve any Exchequer

ACCOUNT showing the whole of the Receipts into
ended 31st March

Receipts.	Amounts.	
	£	£
Brought forward		237,757,535
TEMPORARY ADVANCES:		
On deficiency of the Consolidated Fund:		
On the credit of Ways and Means:		
By Treasury Bills:		
In November 1912 . .	3,000,000	
By other Advances:		
In December 1912 . .	1,800,000	
Total . . .		4,800,000
CUNARD LOAN:		
Repayment on Account of Principal		130,000
SUEZ CANAL SHARES:		
Capital of 600 Shares drawn and paid off in 1912–13 . . .		11,904
CHINA INDEMNITY:		
Receipts on Account of . . .		193,800
EAST AFRICA PROTECTORATE LOAN:		
Repayment on Account of Principal and Interest		2,115
Grand Total		242,895,354

and Issues out of the Exchequer in the Year
1913, etc.—*continued.*

Issues.	Amounts.	
	£	£
Brought forward		231,428,375
TEMPORARY ADVANCES REPAID:		
Advances on Deficiency of the Consolidated Fund		nil
Advances on the credit of Ways and Means:		
Treasury Bills	3,000,000	
Other Advances . . .	1,800,000	
Total . . .		4,800,000
CUNARD LOAN REPAYMENTS:		
Amount issued to the National Debt Commissioners under the Cunard Agreement (Money) Act, 1904 .		130,000
SUEZ CANAL SHARES:		
Capital of 600 Shares drawn and paid off, issued to reduce Debt under the Finance Act, 1898 .		11,904
CHINA INDEMNITY:		
Issued to reduce Debt under the Finance Act, 1906 . . .		193,800
EAST AFRICA PROTECTORATE LOAN REPAYMENTS:		
Issued to the National Debt Commissioners under Section 16 (2) of the Finance Act, 1911 . .		2,115
BALANCE IN THE EXCHEQUER ON THE 31ST MARCH 1913:		
At the Bank of England . .	5,389,135	
At the Bank of Ireland . . .	940,025	
Total . . .		6,329,160
Grand Total		242,895,354

We will consider these items *seriatim*.

Balance in the Exchequer on the 1st of April 1912, £11,468,591.—Under Section 11 of the Exchequer and Audit Departments Act, 1866, all moneys paid into the Bank of England and the Bank of Ireland on account of the Exchequer are to be considered as forming one general fund in the books of the banks, and all orders directed by the Treasury to the banks for issues out of the credits to be granted by the Comptroller and Auditor-General for the public services are to be satisfied out of the general fund. In other words, the Exchequer Account is kept by the two banks, and the balance in the Exchequer on the 1st of April 1912 is arrived at by adding together the amounts to the credit of the Exchequer Account in each bank.

We come next to the revenue received into the Exchequer:

(1) *Customs*, £33,485,000.—On pp. 20 and 21 of the Finance Accounts are shown in detail the gross receipts under each article or head of duty, the amounts paid thereout for Drawbacks, Repayments, and Allowances, and the net receipts or produce, together with the appropriation thereof. Drawbacks are remissions upon the export of articles which have already paid duty as if for home consumption. Repayments and Allowances include such items as the corrections of error, the allowance in some cases for waste, the unconsumable husks of tobacco, losses from accident in bond, and so forth. The cost of collection is not deducted from the gross receipts,

but is voted as expenditure. The appropriation of the net receipts refers to the distribution of the amounts between the Imperial Exchequer and the Isle of Man, which is treated as a separate entity for Customs purposes. Details of the rates of duty and a mass of statistical information relative to the Customs are published in the Annual Report of the Commissioners of Customs and Excise presented to Parliament. It will be noticed from the Finance Accounts, p. 21, that the round sum paid into the Exchequer by the Customs does not correspond precisely with the net receipts of the Customs for the year. It is sometimes a little more, sometimes a little less than the actual receipts. This is the case with the other Revenue Departments and has already been explained on p. 24.

(2) *Excise*, £38,000,000.—The same remarks apply here with the exception that there is no appropriation of receipts to the Isle of Man.

(3) *Estate, etc. Duties*, £25,248,000, on property passing at death, and Corporation Duty.

(4) *Stamps* (*exclusive of Fee, etc. Stamps*), £10,059,000.

(5) *Land Tax*, £700,000.

(6) *House Duty*, £2,000,000.

(7) *Property and Income Tax* (*including Super-Tax*), £44,806,000.

(8) *Land Value Duties*, £455,000.

Detailed information upon the rates of duty, etc., in respect of the last six sources of revenue is found in the Annual Report of the Commissioners of Inland

Revenue, presented to Parliament. An analysis of all the figures appears on pp. 23 and 24, Finance Accounts.

(9) *Post Office*, £29,175,000 (including Telegraphs and Telephones).—For details see p. 25 of Finance Accounts and the Annual Report of the Postmaster-General, presented to Parliament.

(10) *Crown Lands, net*, £530,000.—On his accession the Sovereign surrenders to the Exchequer his hereditary revenues in respect of woods, forests, and land revenues of the Crown, in return for an annual payment charged on the Consolidated Fund, known as the Civil List.[1] Certain charges for collecting the revenues, donations to churches, schools, and other foundations, payments for surveys, repairs, etc., for land, property, and other taxes, for repairing and maintaining buildings, walls, fences, roads, and making enclosures and plantations, etc., are paid out of receipts, and the net amount only paid into the Exchequer. The salaries and expenses of the Commissioners of Woods and Forests and their officers in London are voted annually by Parliament and not paid out of revenue. Details are given on p. 26, Finance Accounts, and an annual Report of their operations is presented to Parliament by the Commissioners.

[1] "The expenses of the Royal Household are now entirely separated from the expenses of civil government; but, by a whimsical perversion, the name of Civil List has remained attached to that portion of the revenue which is appropriated to the expenses of the Royal Household. It is still more strange that several neighbouring nations should have thought this most unmeaning of all names worth borrowing."—Macaulay, *History of England*, chap. xv.

For the origin and history of the Civil List see Appendix XIII. of Chisholm's *Analysis*, referred to on p. 1, note, of this volume.

(11) *Receipts from Suez Canal Shares and Sundry Loans*, £1,418,899.—This represents the interest or dividend received in the year on the Suez Canal shares, purchased by the Government from the Khedive of Egypt, in the time of Mr. Disraeli (1876), with the exception of shares drawn and paid off in the interval. (See *post*, p. 63 *n.*) There are also certain receipts in respect of loans, the particulars of which appear on p. 27 of the Finance Accounts.

(12) Finally, we come to *Miscellaneous Revenue, including Fee, etc. Stamps*, £2,925,100.—The detail of this Miscellaneous Revenue is given on pp. 27-34 of the Finance Accounts. The main divisions are small branches of the Hereditary Revenue, including receipts from escheated estates of persons dying intestate and illegitimate or without known kin, the profits on the issue of Bank Notes, the profits of the Mint, fines and penalties in the Crown Office Supreme Court, certain small receipts from surplus Crown Revenues in Jersey and Guernsey, etc. The sum of £186,731 represents the amount payable by the Bank of England out of the profits of its Note Issue for the year to the 5th April 1912. Repayments from the Bankruptcy Fees Account and the Companies Winding-up Fees Account are also included. We find £8287 surplus and £14,173 moiety of surplus of interest on securities to the credit of the Post Office Savings Bank and the Trustees Savings Bank Fund respectively beyond the interest paid or credited to depositors. The receipt of the Pension Fund taken over from the National Telephone Company, the

expenses of administration of local loans in respect of expenses incurred by various Government Departments, and the receipts from various Government Departments other than those appropriated in aid of Votes, figure also under this head, which is described in the Estimates as "Extra Receipts." Here, for example, appear admission fees to National Galleries, moneys received for sales of photographs of pictures, Brompton Cemetery burial receipts, sales of certain old materials, conscience money, contribution of £10,000 from the Customs Revenue of the Isle of Man, and so forth.

In the year under consideration the unexpended cash balances of grants of Parliament for 1911–12 were with the authority of Parliament appropriated to the Exchequer instead of to the Old Sinking Fund. The amount, shown on p. 34 of the Finance Accounts, is £142,377, and figures as Miscellaneous Revenue. The amount received by the Inland Revenue Department for Fee and Patent Stamps during the Financial Year is included under Miscellaneous Revenue. Such stamps represent payment for special services rendered to particular individuals, differing therefore from the ordinary Stamp Duties, which are taxes pure and simple. On p. 35 of the Finance Accounts will be found the description of the various Fee and Patent Stamps, with the amount yielded under each head—for example, Bankruptcy Court (Ireland), Civil Service Commission (fees for examination), Judicature (legal proceedings), *London Gazette* (fee for insertions), registration of money-lenders, patents for inventions,

etc. etc. The Fee Stamps alone account for a total of £745,946, and the balance £325,329 is made up by Patent Stamps.

The total Revenue received into the Exchequer is thus stated at something over £188,800,000. There were, however, certain sums paid into the Exchequer which cannot properly be regarded as Revenue. These are distinguished as *Other Exchequer Receipts*. For example, *Repayment of Advances for purchase of Bullion for coinage*, £1,400,000. The Mint purchases bullion by means of an advance from the Exchequer, repays the amount advanced when the coins are issued (or paid for if made for a Colonial Government), and accounts for the difference between the nominal value and the bullion value in its receipts. The receipt into the Exchequer is in this case mere repayment of a temporary loan, financed out of the Exchequer Account. In the same way the *Interest on certain Exchequer Bonds*, issued under the Capital Expenditure (Money) Act, 1904,[1] repaid from Army and Navy Votes, is balanced by a corresponding entry on the other side of the Finance Accounts, which it may be regarded as cancelling. The interest paid to the bond-holders figures among the debt charges, but the amount due for naval and military loans is brought into the accounts of the Navy and Army by a grant of Parliament, which they pay into the Exchequer. *Money raised by renewal of Bills and Bonds*. Details of these transactions are shown on p. 87 of the Finance Accounts, and at greater length in the Annual Report

[1] See *post*, p. 86.

of the Commissioners for the reduction of the National Debt. The first item, *Treasury Bills for Supply*, £30,400,000, refers to the borrowing by Treasury Bills under the authority of the Consolidated Fund Act to make good the sums voted in Supply. When the taxes are collected and the Exchequer Account is in a position to repay these advances, the Bills, which have perhaps been renewed from time to time, are extinguished, and a cross entry of £29,000,000 appears on the other side. The next item, *By issue of Exchequer Bonds*, under the Capital Expenditure (Money) Act, 1904, shows the proceeds of Bonds issued under that Act.

Next we come to *Money raised by Creation of Additional Debt for various Purposes*.—The machinery here set in motion is intended to raise capital sums for certain purposes in the nature of capital expenditure. Such, for example, are the construction of telephone trunk lines, which last for several years and are capable of earning an annual revenue for a considerable length of time. Instead of charging the whole amount to the Votes every year—by which they would be unduly burdened—the principle is adopted of setting up terminable annuities calculated to extinguish the debt within the life of the works or plant, and the amount necessary for interest and Sinking Fund—in other words the annuity—is chargeable on the Vote for the Department concerned until it ceases. There are also sometimes temporary advances on deficiency of the Consolidated Fund—when the Exchequer Account is financed by advances

from the Bank. In the year in question no such advance was received, but money was raised by Treasury Bills and otherwise. After *Capital of 600 Suez Canal Shares* drawn by lot for repayment and paid off in 1912–13, comes *Repayment by the Cunard Shipping Company* on account of the principal of the loan advanced to it by Government, and *China Indemnity, receipts on account of*, £193,800, representing the instalment received from the Chinese Government as compensation for the loss and expense to which we were put by the Boxer Rising. A small *Repayment of interest and principal of a Loan to the East Africa Protectorate* closes the list.

The grand total, £242,895,354, may be regarded as the figures at the foot of the credit side of the National Pass-Book for the Financial Year.

We now turn to the issues out of the Exchequer during the Financial Year.

Consolidated Fund Services.—The National Debt Services are grouped into five divisions. First come the *Funded Debt*, on which interest amounted to £15,000,752, and *Terminable Annuities*, amounting in the year to £3,540,175. For details of Funded Debt and Terminable Annuities see Finance Accounts, p. 38. Over one and a half millions represent annuities for life—the remainder are annuities for terms of years. Every annuity, whether for life or for a term of years, represents, in addition to interest on debt, a sinking fund for extinction of the original debt. Interest of the *Unfunded Debt* of a temporary or floating character accounts

for £1,171,863. The Unfunded Debt, as shown on p. 39, Finance Accounts, consists mainly of Exchequer Bonds and Advances. The *Management of the Debt* cost £166,907. These sums were paid to the Bank of England and the Bank of Ireland for the management of Debt, Funded and Unfunded. The *New Sinking Fund* amounted to £4,620,303.[1]

Next comes *Road Improvement Fund*,[2] £1,172,205, representing payments to the Road Board on account of the net proceeds of duties on motor spirit and of carriage licences. *Payments to Local Taxation Accounts* [2] amounted to £9,653,299. For details and distribution between England, Scotland, and Ireland, see p. 42, Finance Accounts. *Other Consolidated Fund Services* are: *Civil List*, £470,000; *Annuities and Pensions*, £320,883; *Salaries and Allowances*, £56,468; *Courts of Justice*, £523,450; and *Miscellaneous Services*, £321,625. These amounts are shown in great detail from pp. 43 to 67 of the Finance Accounts. The total Consolidated Fund Services for the year amount to £37,017,930.

Next come the Supply Services. The *Army Services* account for £28,070,800. It will be seen from p. 71 of the Finance Accounts that this does not exactly tally with the grants of Parliament during the same year, owing to the existence of balances of former years unissued from the Exchequer, and to the fact that the total amount granted was not all issued within the year. The balance of grants unissued

[1] See Chapter VIII. for all these services.
[2] See Chapter IX.

from the Exchequer on the 31st of March 1913 was correspondingly altered. *Ordnance Factories*, £200, represents only a Token Vote. The factories are treated as independent enterprises which charge the Navy, Army, India, etc., with the cost of manufacture and, recovering their expenses, do not in theory require any separate grant to enable them to carry on their services. A small sum is, however, inserted in the Estimates for Parliamentary sanction in order to bring the factories within the range of Parliamentary criticism. *Navy Services*, to which the same remarks apply as to the Army Services above, are responsible for issues amounting to £44,365,000; *Miscellaneous Civil Services*, £51,944,000; *Customs and Excise*, £2,324,000; *Inland Revenue*, £1,876,000; *Post Office Services*, £23,024,000. The Supply Services, £151,604,000, added to the Consolidated Fund Services, give a total expenditure chargeable against the Revenue of nearly £188,622,000. In addition to these are *Issues to meet capital expenditure* under various Acts, £1,488,000. The capital expenditure here represented is extinguished by Annuities placed upon the Votes of successive years, as explained above (p. 58). The application of sinking funds in this manner obviates the simultaneous creation and cancellation of public debt. *Advances for purchase of bullion for coinage*, and *Interest on Exchequer Bonds*, correspond, with a slight variation in the case of bullion, to entries on the other side of the account. The difference between the advance for the purchase of bullion and the repayment of advance for that purpose

is due to the fact that the Exchequer has not yet been repaid for all the bullion purchased, a portion of the advances being still outstanding. There were also issued in respect of *Bills and Bonds paid off subject to renewal*, £33,060,900, of which 29 millions are on Treasury Bills for Supply and the remainder the issue of Exchequer Bonds less bonds paid off by the National Debt Commissioners. Entries under corresponding titles on the other side have already been referred to. *Old Sinking Fund* will be explained in Chapter VIII.; £4,800,000 are the Temporary Advances already referred to as received into the Exchequer. *Cunard Loan Repayments*, £130,000; *Suez Canal Shares*, drawn and paid off to the extent of £11,904; *China Indemnity*, £193,800, and *East African Protectorate Loan Repayments*, £2115, are all payments for services in respect of which debt was created, and are therefore applied to the reduction of debt. Details are shown on p. 86, Finance Accounts. Finally, the balance in the Exchequer on the 31st of March 1913 is, at the Bank of England, £5,389,135; at the Bank of Ireland, £940,025; the total amounting to £6,329,160, as compared with the balance of £11,468,591 on the 1st of April 1912.

The next section of the Finance Accounts (p. 85) consists of statements relative to the National Debt: showing the debt created and reduced in the year; the amount issued on account of Sinking Funds, and the application thereof; the capital account of the National Debt on the 31st of March 1913, and the amount of gross capital liabilities of the State, the

estimated assets, and the Exchequer Balances. The assets[1] consist of £39,015,000, market value of Suez Canal Shares; £400,000, Bullion advances from the Exchequer unrepaid; £46,530, Loan to East Africa; £1,311,203, due from the Colonies as contribution to capital expenditure on the Pacific cable; and £1,950,000, the nominal value of Debenture Stock of the Cunard Steamship Company, held as security for repayment of the advances made to it under the Cunard Agreement Act, 1904. There is appended a statement of contingent or nominal liabilities, namely, liabilities to suitors in the Courts of Justice, to bankrupts' estates, unclaimed dividends, or annuities, etc. The next table gives a statement of all outstanding guaranteed loans on the 31st of March 1913, showing the particulars of the amount of each loan, when, why, and on what terms it was granted, and how the account of each loan stands as regards amounts paid off and outstanding securities held against it, etc. etc. The last table is a statement of unrepaid advances made to or for Colonial Governments, etc., from Votes of Parliament.

With the Estimates for the Navy, Army, Civil Services, and Revenue Departments before him, showing the estimated expenditure on Supply Services, the Appropriation Accounts giving the actual expendi-

[1] The true assets of the State are, of course, very much larger, including land, buildings, ships, stores, etc. Suez Canal shares of the nominal value of 500 francs are now selling at ten times that amount; but the drawings are viewed with equanimity, as an *action de jouissance* is issued gratis in place of each drawn share, and is awarded regular dividends of 25 francs per annum less than an original share. The owner who invests his repaid capital of 500 francs at 5 per cent loses nothing.

ture on these services compared with the grants, and the Finance Accounts covering Consolidated Fund Services and all financing operations of the year, the student is furnished with the necessary material for understanding the financial position of the country during the period which they cover, and will have little difficulty in following the several items which figure in the accounts. In Chapters VII. and VIII. will be described the various operations by which Government borrows temporarily or adds to the permanent or Funded Debt, the management and redemption of debt, and the Capital Account of the Nation.

CHAPTER VI

THE AUDIT OFFICE, THE PAYMASTER-GENERAL, AND PUBLIC ACCOUNTING

THE Estimates having been prepared by the Departments, sanctioned by the Treasury, approved by the House of Commons, and embodied in the Appropriation Act, there is now statutory authority for the expenditure of the country upon Supply Services. As already stated, charges upon the Consolidated Fund are authorised by various statutes more or less permanent. The Consolidated Fund Act has granted the funds necessary for meeting the Supply charges, but before money can be issued from the Exchequer, the Comptroller and Auditor-General, who presides over the Exchequer and Audit Department, must authorise the issue. This officer is appointed by the Crown, is independent of the Treasury, and responsible to the House of Commons alone, though like the judges he can be removed from office by an address to the Crown voted by both Houses of Parliament. His powers and duties are regulated by the Exchequer and Audit Act, 1866.[1]

When money is required for Consolidated Fund

[1] Appendix I.

Services, the Comptroller and Auditor-General is required and authorised by a requisition signed by two Lords of the Treasury to grant a credit to the Treasury upon the account of His Majesty's Exchequer at the Bank of England or Ireland. If satisfied with the correctness of this requisition, and that it is duly based upon statutory sanction, he grants the credit, which is transferred to the Bank concerned. If, however, the money is required for Supply Services a different procedure is requisite. We have seen that the grants of the House of Commons are made in form to the Sovereign. A Royal Order is therefore necessary to place the money at the disposal of the Treasury, and the Comptroller and Auditor-General must be furnished with such an Order (prepared by the Treasury, signed by the Sovereign, and countersigned by two Lords of the Treasury) in conjunction with the Treasury requisition before he grants a credit for Supply Services. The requisitions in this latter case must state the services to be provided for and the amounts required in order that the Comptroller and Auditor-General may be satisfied that the amounts do not exceed the provision made under each head by Parliament.[1] The Comptroller and Auditor-General and the Treasury receive every day two accounts—one from the Bank of England and the Bank of Ireland of receipts into and issues out of the Consolidated Fund, and one from the Revenue Departments of sums paid to the Fund.

The Paymaster-General, an unpaid member of

[1] See forms, Appendix VII.

the Ministry, fulfils the duties of a banker for the various public Departments with certain exceptions.[1] The moneys issued from the Exchequer for the various Services are paid to his Supply Account at the Bank of England. For each of the Civil Service Votes he keeps a separate account; but the several Votes for the Army are included in one Army Account, and there is similarly one account for the Navy. To these accounts he credits the sums issued from the Exchequer, and debits the amount of the various drafts or orders drawn on him by the several Departments. These drafts require the signature of two prescribed officers, one of whom should be the Accounting Officer or his authorised representative. The Paymaster-General is not concerned with the subheads of the Departments' accounts, but only with their total grants. He attends to the payment of pensions, retiring allowances, etc., which are notified to him once for all by the Treasury when they are awarded.[2] The Supreme Court has a separate Pay Office.

The Revenue Departments do not bank with the Paymaster-General, but keep separate accounts at the Bank of England.

Payments in respect of certain Civil Voted Services and Consolidated Fund Services are made in Scotland by the King's and Lord Treasurer's

[1] Mainly the Revenue Departments and the service of the public debt.

[2] For the duties of the Paymaster-General see also p. 87, and the *History of the Bank of England and its Financial Services to the State*, by Professor Eugen von Philippovich, of the University of Vienna. Second edition. Translated for the National Monetary Commission by Christabel Meredith, with an Introduction by H. S. Foxwell. Washington, 1911.

Remembrancer, and in Ireland by the Treasury Remembrancer and Deputy Paymaster. In order to meet these payments the King's and Lord Treasurer's Remembrancer obtains funds from the Revenue Departments in Edinburgh, and repays the Departments which make the advances by a draft on the Paymaster-General. The Treasury Remembrancer for Ireland obtains his funds from the Exchequer account at the Bank of Ireland, and from the Supply account of the Paymaster-General. The various Accounting Officers at the close of each day forward to the three authorities mentioned a certified list of orders drawn upon them showing the nature of the service, the amount of each order, and the name of the payee. These lists serve both as an intimation of liabilities to be met, and as a check upon the orders when they are presented.[1]

The Accounting Officers of the Revenue Departments draw upon their departmental accounts at the Banks of England and Ireland and not upon the Paymaster-General except for adjustment purposes. The collectors and receivers of revenue are allowed to cash out of the moneys collected by them orders issued for any authorised service, but the amounts so advanced are repaid to the Revenue Departments out of their Parliamentary grants. This procedure obviates the unnecessary movement of funds.

The Principal Accountants referred to in section 11

[1] See *Report to the National Monetary Commission on the Fiscal Systems of the United States, England, France, and Germany.* Washington, 1910.

of the Exchequer and Audit Departments Act, 1866, are the Chief Cashiers of the Banks of England and Ireland (for the service of the debt), the Comptroller-General of the National Debt, the Paymaster-General, and the Accountant-Generals of the Revenue Departments.

In order to keep himself in funds the Paymaster-General makes daily requisitions upon the Treasury, stating that the issues are required, and specifying the Services and amounts. The Treasury then takes steps to direct a transfer from the Exchequer to his Supply Account. No Vote is held at the disposal of a spending Department until the Treasury gives the Department formal notice that the money is available, or gives special authority for payment in anticipation. This formal notice is not issued until the Vote has been taken in Committee of Supply, reported to the House, and adopted, the necessary Ways and Means granted by Parliament, and a Royal Order issued.

Part II. of each Estimate opens with the words "Head" or, if more than one, "Sub-heads under which this Vote will be accounted for by" a specified officer or Department. The officer nominated by the Treasury for this purpose is called the Accounting Officer. He is usually the permanent head of the Department which administers the Vote, or, if the permanent officer is too busily occupied with administrative affairs, the Accounting Officer should be one of the highest permanent officials in the Department. It is the duty of the Accounting Officer to render and certify to the accuracy of the Appropriation account

of his Vote, showing the amounts granted by Parliament under each sub-head; the amounts actually expended under each sub-head within the year; the expenditure less than estimated or more than estimated under each sub-head, and an explanation of variations which exist between the grant and the expenditure. It is for him to see that all expenditure is properly authorised and brought to account under its appropriate sub-head, and that no financial irregularity is committed within his Department. He should call attention to any extravagance or irregularity. If it is proposed to him to make a payment from the Vote which he does not regard as a proper charge to the Vote, it is his duty to offer objection, and if he is over-ruled by the head of his Department he should then record his objection in writing. On receipt of a written instruction from his superior officer over-ruling his objection, he is absolved from personal responsibility. Otherwise he is liable for any payment which may be disallowed as not being a proper charge upon the Vote for which he is accountable. It is through the Accounting Officer that revenues collected by his Department are paid into the Exchequer, and he is the channel through which expenditure is made. All civil expenditure incurred within the financial year which has actually come in course of payment is included within the accounts of the year. If, for example, an order for payment is dated the 31st of March, payment is recorded as having been made within the year, although the order may not be cashed by the recipient

until a later date. Should, however, an order issued during one financial year not be presented for payment before the 30th of June in the next financial year, it is regarded by the Paymaster-General as out of date, and the owner must obtain a new order bearing a later date, which is charged against the account of the year in which it is paid.[1] Sums advanced or imprested to sub-accountants are not final charges against a Vote except so far as an account has been rendered to and allowed by the Accounting Department. If, however, one Department acts as Agent for another,[2] the payment made by the Agent Department is charged against the Vote of the Principal Department for the year in which it was advanced, if the account of that year be still open, although the recovery may not have been made until after the 31st March. The year is thus made to bear its proper burden. The same principle applied to a payment before the 31st March made, for example, by India on behalf of the Imperial Government, and repaid to India after the 31st March, throws the burden of payment into the year of repayment, in which the charge first "actually came in course of payment" from Imperial funds.

[1] Army and Navy orders may be paid up to the 30th September in the financial year following that in which they were drawn.

[2] This happens when Department A, which has not been provided by Parliament with funds for the purpose, acts outside its ordinary functions as an intermediary to supply articles for Department B owing, for example, to urgency or to the fact that A by reason of large contracts or expert knowledge is in a better position than B to obtain what is required. In such cases A recovers the amount of its expenditure from B as an agency payment.

Receipts are credited to the account of the financial year in which they are received.

If a Department while keeping within the total of its Parliamentary grant exceeds the total provided for its requirements under one or more sub-heads, the authority of the Treasury is necessary and sufficient to enable it to meet the excesses on those sub-heads by savings on other portions of its grant. *Virement* or transfer of credits is not permitted between one civil Vote and another. But since 1862 the annual Appropriation Act provides that if a necessity shall arise for incurring expenditure not provided for in the sums appropriated to Naval and Military Services by the Act, and which it may be detrimental to the public service to postpone until provision can be made for it by Parliament in the usual course, the respective Departments may, with the sanction of the Treasury, defray temporarily such expenditure out of any surpluses which may have been or may be effected by the saving of expenditure upon Votes within the same Departments. The form of the Appropriation Act was amended in 1904 so as to give Parliamentary sanction to the expenditure of Appropriations in Aid, and again in 1907 to legalise the practice of spending surplus Appropriations in Aid under one Army or Navy Vote to make good a deficiency under another Army or Navy Vote. The present practice will be seen on reference to sections 4 and 5 of the Appropriation Act, 1912, printed in Appendix VI. The fact that naval and military expenditure is incurred in distant parts of the world makes it difficult

to forecast the out-turn of the accounts in time to avoid excesses by Spring Supplementaries or to close the accounts as early as those of the Civil Departments.

On the 4th March 1879 the House of Commons resolved,[1] on the motion of Mr. Monk,

> That it is desirable that a statement of every case in which the Naval and Military Departments have obtained the sanction of the Commissioners of Her Majesty's Treasury to the application of an actual or anticipated surplus on one Vote to meet a deficiency on another Vote within the financial year, setting forth the representation made to them by the respective Department, be laid upon the table of the House within three weeks after such sanction shall have been given, if Parliament be then sitting; or if Parliament be not then sitting, within three weeks after the next meeting of Parliament.

The Treasury Minute presented to the House in pursuance of this Resolution (known as the Monk Resolution) is printed and circulated, and statutory sanction is given to the Treasury action in the following Appropriation Act.

The Appropriation account[2] is examined by the Comptroller and Auditor-General, who certifies as to its correctness, and adds a report to Parliament upon any feature of the accounts which seems to call for observation. In particular he calls attention (1) to every case in which it appears to him that a grant has been exceeded; (2) to every case in which money received by a Department from other sources than

[1] This important Resolution is not reported in Hansard.

[2] For the form of an Appropriation account see Appendix XIII.

the grants for the year has not been applied or accounted for in accordance with the directions of Parliament; (3) to every case in which a sum charged against a grant is unsupported by proof of payment or did not occur within the period of account, or for any other reason was not properly chargeable against the grant. The Appropriation accounts of the Civil Votes are rendered on or before the 30th November, and printed under the direction of the Comptroller and Auditor-General, together with his reports, and are forwarded to the Treasury for presentation to the House of Commons. The Civil Service and Revenue Departments accounts and reports are required to be submitted to the House not later than the 31st of January or within one week after the meeting of Parliament. Separate accounts and reports are presented for the Army Services, whose Appropriation accounts must be rendered to the Comptroller and Auditor-General not later than the 31st of December, and forwarded by him to the Treasury with his report not later than the 31st of January following. They must be presented by the Treasury to the House of Commons by the 15th of February. These provisions of the Exchequer and Audit Act have been applied to the Navy Appropriation account in accordance with a recommendation of the Committee of Public Accounts in 1870. If the Treasury fail to present any report of the Comptroller and Auditor-General within the time prescribed as above by the Exchequer and Audits Department Act, it is enacted that the Comptroller

and Auditor-General shall himself forthwith present such report.

The Public Accounts Committee, as we have seen, is set up early in each Session. The practice is to select a member of the Opposition to act as its Chairman, and the Financial Secretary of the Treasury as one of the members. To it are referred the Appropriation accounts, Consolidated Fund account, and certain other accounts. Its first business is to inquire into any cases in which the Votes taken in Committee of Supply have been exceeded. On receiving satisfactory explanations the Committee specially reports to the House, and recommends that the amount exceeded should be granted by an Excess Vote.[1] It then proceeds to go through the several accounts with the Reports of the Comptroller and Auditor-General, taking evidence from the accounting officers, the Treasury officials, the Comptroller and Auditor-General, and any other witnesses whom it may desire to examine upon the accounts and reports. It reports to the House of Commons the conclusions at which it has arrived, and makes such recommendations as it may think desirable with regard to any irregularity, or as to the principles and regulations which should govern the receipt and expenditure of public money and the method of accounting. When the Committee has made its final report the Treasury each year issues a Minute conveying to the several Departments the instructions necessary to give effect

[1] An Excess Vote when granted, follows the course of other Votes except that no further account of it is rendered.

to the wishes of the Committee. It sometimes happens that the Treasury does not concur in the recommendations of the Committee, in which case its reasons for differing are stated in the Minute, and, if necessary, brought before the Committee for further consideration in the next Session of Parliament. This course is always followed when the Committee recommends the disallowance of a charge which the Treasury thinks proper to allow. A day is, when possible, appointed by the House for the consideration of the Committee's Reports.

The Treasury Minute upon the Reports of the Committee of Public Accounts is laid before the Committee at its first meeting in the following Session. At the end of each Appropriation account the surplus of the Vote is shown as an amount to be surrendered to the Exchequer. In the absence of statutory provision over-riding this destination of the surplus, it is applied under the Act 38 & 39 Vict. c. 40, ss. 4, 5, and 6, to the redemption of the National Debt as the Old Sinking Fund. The amount so surrendered is the difference between the grant for the year and the expenditure for the year. It does not necessarily leave a Department without funds; the Revenue Departments, for example, require large working balances, which are regulated by the frequency and amounts of their payments into the Exchequer. For the purpose of convenience the surrender of unexpended grants is generally carried out by a "short issue" from the grant for the following year. In other words, an amount equal to the sum to be surrendered is cancelled in the books of the Exchequer on the current Vote of the Department concerned. By this means superfluous payments, which would increase the miscellaneous revenue of Exchequer receipts on the one hand and swell Exchequer issues on the other, are avoided.

It is to the Accounting Officer that the Auditor-General addresses his queries, calling attention to apparent irregularities or requesting explanations. Minor irregularities rectified by this process in the course of the year are not referred to by the Auditor-General in his Report to Parliament.

A statement of assets and liabilities at the end of the financial year is furnished by each Department, and audited by the Comptroller and Auditor-General.

In addition to his audit for the House of Commons —known as Appropriation Audit—the Comptroller and Auditor-General examines the public accounts on behalf of the Treasury in order to ascertain that expenditure requiring the sanction of that Department has been duly authorised. The Treasury requires the numbers of every establishment, the rates and scales of personal remuneration, and all special expenditure to be submitted for Treasury approval.

The Revenue Votes have been added to Schedule B of the Exchequer and Audit Act, and are audited as directed by section 29 of that Act.[1] Grants for

[1] Treasury Minute of 27th March 1899 printed in *Epitome of Public Accounts Reports*, p. 423.

payments of Old Age Pensions were added by Treasury Minute of the 31st August 1909.[1] An additional detailed test examination is made of selected portions of the Navy, Army, and Revenue Accounts. The examination of the Comptroller and Auditor-General of the receipts of revenue is governed by section 33 of the Exchequer and Audit Act; the test audit of Store accounts by Treasury Minute of 15th November 1886,[2] and the test audit of Manufacturing and Expense Accounts of the Army and Navy by the Army and Navy Audit Act, 1889. The Comptroller and Auditor-General also examines the Treasury Chest Fund and Civil Contingencies Fund accounts (see Chapter VII.), the Ordnance Factories, Army Clothing Factory, and Dockyard accounts, and reports to Parliament upon them. Under the provisions of Special Acts he examines and reports on the accounts of Chelsea Hospital (Capital and Income), Greenwich Hospital (Capital and Income), Court of Chancery (Funds), Post Office Telegraphs and Telephone (Capital Account), etc.

The annual Reports of the Comptroller and Auditor-General, the discussions and reports of the Public Accounts Committees and the Treasury Minutes bearing upon them, by their constant and vigilant scrutiny of our financial system tend to its continual improvement and maintain it in a state of high formal efficiency. The "Epitome of the Reports from the

[1] *Id.* p. 514.

[2] Appendix to *Report of Public Accounts Committee*, 1887, p. 206. *Epitome*, p. 187.

Committees of Public Accounts 1857 to 1910, and of the Treasury Minutes thereon, 1911" (*House of Commons Paper 36 of 1911*),[1] though necessarily a collection of case-made decisions, contains many important expositions of general principle and detailed explanations of financial machinery not to be found elsewhere, and is our nearest approach to a collection of materials for a financial code.

[1] Hereafter referred to as *Handbook*.

CHAPTER VII

THE TREASURY

THE office of the Lord High Treasurer, a great functionary of the State, who was responsible under the Sovereign for the financial administration of the country, has not been filled in England for the last two centuries.[1] It has instead been put in commission and exercised by the Lords Commissioners of His Majesty's Treasury appointed by Letters Patent under the Great Seal.[2] The first commissioner mentioned in the Letters Patent, the First Lord of the Treasury as he is called, is usually the Prime Minister; the second is Chancellor of the Exchequer. There are generally three others, known as Junior Lords,[3] and

[1] The last Lord High Treasurer in England was the Duke of Shrewsbury (resigned 30th October 1714). There was a Lord High Treasurer for Ireland till 1816.

[2] For a form of Letters Patent appointing Commissioners "for executing the office of Treasurer of the Exchequer of Great Britain and Lord High Treasurer of Ireland," see Anson, *Law and Custom of the Constitution*, 3rd ed., vol. ii. part i. p. 259.

[3] The Act 6 Anne c. 41, s. 26, limited the Treasury Commissioners to the numbers then existing, namely, one First Lord, one Chancellor of the Exchequer, and three Junior Lords. But when the British and Irish Exchequers were united in 1816 power was given by 56 Geo. III. c. 98, s. 14, to increase the number of Commissioners by two. Todd's statement that the three Junior Lords are one for England, one for Scotland, and one for Ireland, described by Sir W. Anson as "traditional," is clearly unfounded.

sometimes a fourth Junior Lord who is usually unpaid. These Ministers, who constitute the Board of Treasury, have two parliamentary secretaries—the Parliamentary or Political Secretary, who acts as the Chief Whip, and the Financial Secretary. They have also a Permanent Secretary (or sometimes two, as at present) and a small staff of permanent officials. The First Lord does not concern himself with the details of finance unless some special emergency arises. He has the patronage of the Board, save in so far as he delegates it in minor matters to the Parliamentary Secretary, and nominates for approval by the Sovereign the incumbents of certain Crown livings. He also recommends to the Sovereign the names of persons to be the recipients of Civil List pensions or Royal Bounty. If he is Prime Minister, he has other duties which need not here be alluded to. The Chancellor of the Exchequer corresponds very closely to the Minister of Finance in other countries. It is his function to regulate the public income and expenditure, to propose any change of taxation, or any measures affecting the public debt, to keep the public services in funds, and to supervise the currency and the banking legislation of the country. He is *ex officio* Master of the Mint. His principal assistant is the Financial Secretary, who attends to the details of financial business and in particular to the sanction of estimates and to the piloting of them through the House of Commons. The Financial Secretary also represents in the House a number of Departments which have no ministerial Head. The Parliamentary

Secretary—sometimes described as the Patronage or Political Secretary—takes no part in the financial affairs of the country, but assists the First Lord in the organisation of his supporters and the management of Parliamentary business. The Junior Lords of the Treasury are almost invariably members of the House of Commons. One of them is customarily charged with questions relating to the grant of pensions and superannuation allowances by the Treasury, but except for the signature of Treasury warrants the Junior Lords have little other concern with the departmental duties of the Treasury and are utilised as whips of the party or as representatives in the House of Commons of Ministers who are peers and have no second Parliamentary assistant.

The parliamentary Secretaries of the Treasury are appointed by the Board and not by the Crown; neither do they hold office "under the Crown," but under the Board, which meets formally only for the purpose of "calling in" or appointing new Secretaries.

The powers of the Treasury are very great, resting partly upon the prerogative of the Crown in so far as its exercise is committed to the Treasury in matters of finance, and partly upon a variety of statutes. Section 27 of the Exchequer and Audit Act, 1866, gives it practical control over the whole public expenditure and enables it to require that any measure tending to increase that expenditure should be submitted for its concurrence before it is adopted under pain of being disallowed. Proposals for the increase of establishments, increased rates of pay, additional

services or new works, require Treasury sanction, and are questioned by the Auditor-General if they are put in force without the authority of the Treasury. By reason of its central position the Treasury undertakes the regulation of general questions affecting the organisation of the Civil Service at large, prepares Orders in Council governing the service, and issues circulars designed to promote uniformity in the treatment of officials in different departments. The bulk of its departmental business consists of the control of expenditure by the examination of proposals for increased pay or establishments or new services, for all which it requires full justification, and the award of pensions for the Civil Services. Naval and military pensions are regulated by the King's Regulations and the Army Warrant administered by the Admiralty and the War Office respectively.

The great Revenue Departments (including the Woods and Forests), the Mint, the Stationery Office, the Office of Works in England, and the Board of Works and Valuation and Boundary Survey in Ireland are subordinate to the Treasury. As already mentioned, the Treasury represents in Parliament certain other Departments which are not otherwise subordinate to it. It accounts for a large number of Votes which do not naturally fall under any other Department. It is responsible for seeing that the Civil List does not become indebted, and a high officer of the Treasury is appointed Auditor of the Civil List. In addition to its general supervision

of the finance of the country it has therefore a variety of miscellaneous duties which do not require to be further specified in detail for our present purpose.

The business of the Treasury in connection with the preparation of the Estimates has been dealt with in Chapter II.; and the arrangements for the issue of money from the Exchequer to meet the daily needs of the Government, in Chapter VI. It is under the necessity of watching the Exchequer balances in order to avoid overdrafts. At the beginning of the financial year Treasury Bills are issued under statutory restrictions.[1] Tenders are invited at the Bank of England by notice in the *London Gazette* for bills to be repaid at the date mentioned in each bill, or bills are issued at a fixed rate of discount to the National Debt Commissioners or other persons who have agreed to take them. The currency of the bills may not exceed twelve months. A Treasury Warrant authorising the Bank of England to prepare and issue the bills is transmitted for the counter-signature of the Comptroller and Auditor-General, and the amount received by the Bank for the sale of bills is carried to the Exchequer Account. A form of a Treasury Bill and of the necessary Warrants will be found in Appendix VIII. When the bills mature they are paid off on the dates specified upon them, without days of grace, and are cancelled by the Bank. As the bulk of the income-tax revenue is not encashed until late in the financial year, it is often necessary to

[1] See especially Treasury Bills Acts, 1887 and 1904, and the annual Consolidated Fund Acts.

issue new bills in place of some or all of those which are paid off at an earlier date. The Regulations relating to Treasury Bills will be found in *House of Commons Paper 187 of 1889*, embodying the Treasury Minute of 31st May 1899.[1] The principal relevant enactments on the subject are the Acts 40 Vict. c. 2, and 52 Vict. c. 6.

If the receipts into the Exchequer are insufficient to meet the Consolidated Fund charges on the due dates, recourse may be had to borrowing from the Bank of England by deficiency advances. (See p. 22 *ante*.)

Money may also be raised by Exchequer Bills; but since 1861 there have been no new issues of Exchequer Bills, Exchequer Bonds and Treasury Bills having taken their place. Exchequer Bills may therefore be regarded as having a merely historical importance. They bore interest (originally at a daily rate), and might be used in payment of taxes. Exchequer Bonds differ from them in being issued for fixed periods, generally for one to three years, and having a fixed rate of interest. They were first introduced by Mr. Gladstone in 1853, and have since been resorted to on many special occasions, notably on outbreaks of war, the purchase of the Suez Canal shares in 1876, and (to facilitate the conversion by Mr. Goschen in 1888 of the National Debt) in 1889. In 1905, Exchequer Bonds issued under the Finance Act of that year were made redeemable in ten years from the date of issue by annual drawings of one-

[1] See Appendix VIII.

tenth of the total issue. By 1 & 2 Geo. V. c. 26, s. 1 (2), the Treasury are empowered, in connection with the purchase of the National Telephone Company's system, to issue Exchequer Bonds for a term not exceeding twenty years from the date of issue. Being redeemable at fixed dates, Exchequer Bonds are less liable than Consols to fluctuation in price. The Exchequer Bills and Bonds Act, 29 Vict. c. 25, as amended by 40 & 41 Vict. c. 2 and 52 & 53 Vict. c. 6, s. 5, regulates the issue of both these forms of borrowing. By the Capital Expenditure (Money) Act, 1904, the Treasury are empowered to borrow by Exchequer Bonds when they are authorised to borrow by terminable annuities. Finally, the Treasury may seek Parliamentary authority for the creation of new debt to which it is desired to give a longer currency.[1]

Apart from outside borrowing, the Treasury is able within certain limits to meet its cash requirements temporarily from certain funds at its disposal. The Treasury Chest Fund, regulated by the Act 40 & 41 Vict. c. 45, is a central banking fund under Treasury control which exists for the purpose of laying down funds abroad (mainly by bills and telegraphic transfers) to carry on the public services generally. There are Treasury Chests abroad at various naval and military stations by means of which the services are locally financed at par, the advances being recovered

[1] For the history of Exchequer Bills and Exchequer Bonds see articles under those titles by Mr. G. H. Hunt in Palgrave's *Dictionary of Political Economy*. A form of Exchequer Bond is printed in Appendix IX.

from the Parliamentary grants to the Departments concerned. The profit or loss on the exchange operations is charged against the Fund, which is limited by the Act 56 & 57 Vict. c. 18 to a capital not exceeding £1,000,000 nor less than £700,000. If the annual balance-sheet discloses a net profit on exchange, the amount is paid to the Exchequer; if a loss, the amount required to make it good is voted by Parliament, and the working balance at the beginning of the financial year is always now kept at £700,000.[1]

Another fund at the disposal of the Treasury is the Civil Contingency Fund, regulated by Treasury Minute of 13th May 1862. This Fund provides a sum of £120,000,[2] entrusted to the Treasury to meet unexpected demands and to make advances for services to be afterwards voted by Parliament. No final payment is charged on this Fund, but the amount is recovered by a Vote of Parliament in the ensuing year, and repaid to the Fund, which is thus kept annually at its maximum. Both the Treasury Chest Fund and the Civil Contingencies Fund are kept in the hands of the Paymaster-General and are audited by the Comptroller and Auditor-General. Certified balance-sheets of the Funds, with the reports of the last-named official, are laid before Parliament annually before the necessary Votes are taken.

It may be convenient here to mention that, in addition to sums realised by Departments in the

[1] For the history of the Fund see Appendix V. to Reports of Public Accounts Committee, 1902, *Handbook*, p. 452.

[2] Increased to £180,000 by Supplementary Estimate taken on 11th February 1913.

course of their administration, the Treasury Chest Fund, the Civil Contingencies Fund, and the moneys supplied to him from day to day from the Consolidated Fund, the Paymaster-General holds large sums under the name of Deposit Funds, which are merely kept in suspense and are not due immediately (if at all) to the Exchequer. In so far as there is no legal direction to invest these Funds, and they remain as cash on the account of the Paymaster-General at the Bank of England, this cash is used like other cash received by him to meet current expenditure before issues are made from the Consolidated Fund, the necessary adjustment being made before the accounts of the year are closed.[1]

[1] See Treasury Minute of 16th April 1885 printed in *P.A.C. Handbook*, pp. 174-183.

CHAPTER VIII

THE NATIONAL DEBT; BANKS OF ENGLAND AND IRELAND

An official history of the National Debt is contained in two Blue Books presented to Parliament—Report by the Secretary and Comptroller-General of the proceedings of the Commissioners for the Reduction of the National Debt from 1786 to 31st March 1890 (*C. 6539 of 1891*), and History of the earlier years of the Funded Debt from 1694 to 1786 (*C. 9010 of 1898*). A Return is presented annually to the House of Commons showing (1) the aggregate gross liabilities of the State as represented by the nominal funded debt, estimated capital liability in respect of terminable annuities, unfunded debt, and other liabilities in respect of debt, the estimated assets and the Exchequer Balances at the close of each Financial Year from 1835–36 inclusive, and (2) the gross and net expenditure charged annually during that period against the public revenue on account of the National Debt, and other payments connected with capital liabilities. The Tables contained in the annual Finance Accounts embody all the essential figures of the year.

The Funded Debt was "originally so termed

from the taxes, revenues, or funds on which the interest of the Public Debt was charged, though by a strange association of ideas the term is now applied to the capital sum upon which the interest is payable, the National Debt being familiarly known as The Funds."[1] Debt of a temporary character, such as Exchequer Bonds, Treasury Bills, etc., is distinguished as floating or unfunded debt, and floating debt is funded when it is definitely converted into Government Stock with the authority of Parliament.

The Commissioners of the National Debt were created in 1786 by the Act 26 Geo. III. c. 31, entitled "An Act for vesting certain sums in Commissioners at the end of every quarter of a year, to be by them applied to the reduction of the National Debt." The Commissioners were the Speaker, the Chancellor of the Exchequer, the Master of the Rolls, the Accountant-General of the Court of Chancery, and the Governor and Deputy-Governor of the Bank of England, all for the time being. The Chief Baron of the Exchequer was added by 48 Geo. III. c. 142, s. 32. The Lord Chief Justice was substituted for this official (whose office was abolished in 1880) by 44 & 45 Vict. c. 68, s. 32. The Act 35 & 36 Vict. c. 44 abolished the office of Accountant-General of the Court of Chancery, whose duties, under the same Act, devolved upon the Paymaster-General. In practice the business of the Commissioners is performed by a permanent Secretary and Comptroller-General under the direction of the Chancellor of the

[1] *C. 9010 of 1898*, p. 4.

Exchequer, though three Commissioners are required to constitute a formal quorum.

The Sinking Fund established by Pitt could not be maintained during the Napoleonic Wars, and even when not suspended it was counteracted by borrowing at a faster rate than the Sinking Fund accumulated. In 1829 the Act 10 Geo. IV. c. 27 laid the true basis of the Sinking Fund as the application of real surplus revenue to the extinction of debt. The Act 38 & 39 Vict. c. 45,[1] 1875, for which Sir Stafford Northcote was responsible, governs in the main the Sinking Funds of to-day, the Old Sinking Fund consisting of the surplus of income above expenditure for the year, as defined below, and the New Sinking Fund of the balance of a permanent annual charge for the service of the debt, after defraying the actual expenditure for such service. This permanent charge was fixed at £27,400,000 for 1875–76, at £27,700,000 for the following year, and at £28,000,000 for every subsequent year. This last amount has been varied by subsequent legislation and now stands at £24,500,000, under section 4 of the Finance Act, 1910.

The Old Sinking Fund consists of the sum by which the Exchequer receipts for the year in respect of public income exceed the Exchequer issues in respect of expenditure chargeable against income, and, unless Parliament otherwise determines, it is applied to the reduction of the National Debt, being issued from the Exchequer to the National Debt Commissioners to be applied by them to purchasing and

[1] Appendix X.

cancelling consols or other Government securities. It has at various times been made applicable to capital expenses, *e.g.* in 1897 to certain military works, in 1898 to the provision of certain public buildings, in 1911 to the Development Fund, to sanatoria, and to a loan to the East Africa Protectorate.

The New Sinking Fund cannot be so briefly defined. It consists of the portion of the permanent or annual fixed charge for the National Debt which is not required to pay the charges of management or the interest of the Debt. To arrive at this we must consider, firstly, annuities for life or for a term of years which have been purchased by the public, through the Post Office or otherwise, from the National Debt Commissioners. The original purchase was made by the delivery of stock, or of a sum of money sufficient to buy stock of a prescribed amount which was cancelled at the time of the operation, and when the purchaser or the term of years expires a corresponding amount of debt has been extinguished, the State having converted perpetual debt into temporary debt at an increased annual charge during its continuance. Secondly, there are terminable annuities into which Government has converted some of its own liabilities, such as deposits in the Savings Bank, capital expenditure on telegraphs and telephones, etc., with the object of ensuring that out of the revenue of each year shall be provided a sum sufficient not only to meet the interest on capital but also to wipe out the capital liability within the prescribed period. Consols or other Government securities are cancelled

when such annuities are set up, and when the period has run off debt to the extent of the securities cancelled has been extinguished. Thirdly, we have a sum of a million a year devoted to the drawing and cancelling of Exchequer Bonds created in 1905 and not expiring entirely until 1915. The balance of the permanent charge unappropriated after meeting interest, cost of management, and the charges referred to is the New Sinking Fund, which must be applied to the purchase and redemption of funded or unfunded debt unless an Act of Parliament otherwise determines. To avoid the simultaneous creation and redemption of debt the New Sinking Fund has more than once been suspended, *e.g.* by the Finance Act, 1900. Under Sections 7 and 8 of the Act of 1875 accounts of the Old and New Sinking Funds are to be kept and published. The grand total of National Debt (Capital Account, p. 91, Finance Accounts) on the 31st March 1913 was £656,473,765, made up as follows:—Funded Debt, £593,453,857; Terminable Annuities (estimated capital liability), £31,519,908; Unfunded Debt, £31,500,000.

The National Debt Commissioners require special authority to lend out of the funds which they hold on account of Post Office and Trustee Savings Banks. They will not lend except on a statutory guarantee from the Consolidated Fund, which is sometimes a collateral security (see, *e.g.*, 52 & 53 Vict. c. 71, s. 8, and 54 & 55 Vict. c. 24, s. 4 (3)).

The Banks of England and Ireland manage the National Debt, keeping the registers in which are

inscribed the names of holders and arranging for the isssue of stock certificates and the payment of interest. Their remuneration for these services is regulated by the Bank Act, 1892, 55 & 56 Vict. c. 48. The rates allowed are: to the Bank of England, £325 per million on £500,000,000, and £100 per million above that limit; to the Bank of Ireland, £300 per million. The rate of remuneration for managing Treasury Bills is fixed at £200 per million sterling, and of Exchequer Bonds at £100 per million by 55 & 56 Vict. c. 48 and 6 Edw. VII. c. 20, s. 10 (2).

The Bank of England is prohibited by its Acts and Charters from lending to Government unless authorised to do so. Such an authority is always given by the Consolidated Fund Acts of each session, authorising the Bank to advance on the application of the Treasury to the amount covered by the Act the sums required for the public service in respect of any supply granted in the same session. These are called Ways and Means Advances.

In addition to these functions, to the keeping of the Exchequer Account, and to the financing of Government by Deficiency Advances, the Bank of England has charge of the Note Issue, out of the profits of which it makes a payment to Government, amounting in 1912–13 to £186,731, which figures among the Miscellaneous Revenue. These payments are regulated by 24 Vict. c. 3 and by 7 & 8 Vict. c. 32.

By 3 & 4 Wm. IV. c. 98 the Bank of England was granted the exclusive right of Note Issue within

London and 65 miles around in return for an annual payment of £120,000. It also pays to Government £60,000 for exemption of its notes from Stamp Duty, and out of profits of issue, in addition to the net profit on all notes in excess of £14,000,000 issued against securities under rights acquired since the passing of the Bank Act of 1844.[1] It also acts as the medium for putting gold and silver coin into circulation, and for withdrawing light gold, for which latter service it receives a commission from the Mint.[2]

[1] *Publications of National Monetary Commission*, Washington, 1911, vol. i. p. 16.

[2] For full detail of the relations between the Bank and the Government see Philippovich, *op. cit. ante*, p. 67 *n.*[2]

CHAPTER IX

PUBLIC WORKS LOANS AND SPECIAL ACCOUNTS

THE Public Works Loans Act, 1875, created a body of unpaid Commissioners for Great Britain called the Public Works Loan Commissioners, whose business is to supervise loans from public moneys for certain purposes. The Commissioners are an independent body who are kept in funds by Acts of Parliament. They may advance money for the purpose of any works mentioned in the First Schedule of the Act (as extended by 59 & 60 Vict. c. 42, s. 2) to any person having power under an Act of Parliament or otherwise to borrow for such a purpose. Their powers and duties as to requiring sufficiency of security for repayment, rate of interest to be charged, realising mortgages or other securities, etc., are laid down by various statutes. Their working expenses are voted in Committee of Supply, and a Bill is introduced annually to grant them the funds they require for loans and to authorise the writing off of their bad debts. Under an Act of 1877 (40 & 41 Vict. c. 27) similar powers are conferred upon the Commissioners of Public Works in Ireland.

The National Debt and Local Loans Act, 1887, constituted a Local Loans Fund under the control of the National Debt Commissioners out of which money may be advanced for loans by the Public Works Loan Commissioners, the Fishery Board of Scotland, the Commissioners of Public Works in Ireland, or by the Irish Land Commissioners, or for the purpose of similar loans by the Treasury. All these are described as Local Loans. A Special Local Loans stock is created by the Act for these purposes. It is enacted by s. 15 of the Act as amended by the Public Works Loans Act, 1897, that when Parliament directs the whole or any part of a local loan to be written off from the assets of the Local Loans Fund as not likely to be recovered, the principal is to be treated as a loss to the Exchequer, without altering the liability of the borrower. Any amount so written off is to be paid to the National Debt Commissioners out of moneys provided by Parliament, and any sum afterwards recovered is to be paid into the Exchequer.

The Local Taxation Account, created under the Local Government Act, 1888, is kept at the Bank of England, and the Commissioners of Inland Revenue are required by sections 20 and 21 of the Act to pay into that account instead of to the Exchequer the duties collected in the administrative counties of England and Wales on local taxation licences as well as a portion of the probate duties. These sums are paid over to county councils, and if they prove inadequate the Local Government Board may borrow

temporarily on the security of the account such sums as may be required for meeting the deficiency. A share of the Estate Duty was substituted for the portion of the probate duties by s. 19 of the Finance Act, 1894. The Finance (1909–10) Act, 1910, requires the duties above referred to to be paid into the Exchequer, whence they are now issued to the Local Taxation Account. (See also the Revenue Act, 1911, 1 Geo. V. c. 2.)

Local taxation accounts for Scotland and Ireland were created by the Act 51 & 52 Vict. c. 60, in 1888, amended by the Local Government Acts for Ireland in 1898, sections 48 and 58, and for Scotland in 1889, sections 19-24.

Certain duties on beer and spirits were allocated to the several local taxation accounts by s. 7 of the Customs and Inland Revenue Act, 1890. Their application is regulated by the Local Taxation (Customs and Excise) Act, 1890, the Police Act, 1890, and the Technical Instruction Act, 1891.

The Cattle Pleuro-pneumonia Account for Great Britain is required by s. 15 of the Diseases of Animals Act, 1894, to be kept at the Bank of England and to receive such moneys not exceeding £140,000 in any one year as may be provided by Parliament towards the expenses of the Board of Agriculture in the slaughter of cattle, animals, or swine on account of pleuro-pneumonia, foot and mouth disease, or swine fever, and such sums as are received by the Board from the sale of slaughtered animals after deducting any amounts payable to the owners. If the account

shows a deficiency the Local Government Board and the Secretary for Scotland are required to pay out of the English and Scottish Local Taxation Accounts such additional sums as may be certified by the Board of Agriculture to be required for defraying its expenses.

The National Health Insurance Commissioners control a fund to which are carried, without passing through the Exchequer, the contributions of insured persons, and to which sums are also voted in Supply for working expenses and for special grants. Under section 54 (5) of the Act 1 & 2 Geo. V. c. 55 the accounts of the Fund are audited by the Comptroller and Auditor-General in such manner as the Treasury may direct (see p. 77). The same provision is applied by section 92 (2) of the Act to the Unemployment Fund.

The Road Improvement Fund is vested in the Road Board, created by 9 Edw. VII. c. 47, and receives out of the Consolidated Fund a sum equal to the net proceeds of duties on motor spirit and on licences for motor cars (Finance (1909–10) Act, 1910, s. 90, and 1 Geo. V. c. 2, s. 18). The accounts of the Fund are audited by the Comptroller and Auditor-General under s. 12 of the Act 9 Edw. VII. c. 47.

The Development Commissioners were created by the same Act (9 Edw. VII. c. 47), which endowed them with £500,000 annually out of the Consolidated Fund for the five years ending 31st March 1915. Under the Finance Act, 1911, this endowment is

made for the last three years of the period from a sum of £1,500,000 diverted from the Old Sinking Fund. The accounts of the Development Fund are examined and reported upon by the Comptroller and Auditor-General (9 Edw. VII. c. 47, s. 2).

APPENDICES

APPENDIX I

EXCHEQUER AND AUDIT DEPARTMENTS ACT, 1866, AND TREASURY MINUTE THEREON

29 & 30 VICT. CHAPTER 39

An ACT to consolidate the Duties of the Exchequer and Audit Departments, to regulate the Receipt, Custody, and Issue of Public Moneys, and to provide for the Audit of the Accounts thereof. [28th June 1866.]

'WHEREAS it is expedient to consolidate the powers and 'duties of the Comptroller of Her Majesty's Exchequer and 'of the Commissioners for Auditing the Public Accounts, and 'to unite in one department the business hitherto conducted 'by the separate establishments under them; and to make 'other provisions for the more complete examination of the 'public accounts of the United Kingdom:' Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

1. This Act may be cited for all purposes as the Exchequer and Audit Departments Act, 1866.

2. In this Act "the Treasury" shall mean the Commissioners of Her Majesty's Treasury for the time being, or any two or more of them; "the Bank of England" shall mean the Governor and Company of the Bank of England; "the "Bank of Ireland" shall mean the Governor and Company of the Bank of Ireland; "the National Debt Commissioners" shall mean the Commissioners for the Reduction of the

National Debt; "principal accountants" shall mean those who receive issues directly from the accounts of Her Majesty's Exchequer at the Banks of England and Ireland respectively; "sub-accountants" shall mean those who receive advances, by way of imprest, from principal accountants, or who receive fees or other public moneys through other channels; "the "Secretaries of the Treasury" shall include the Assistant Secretary.

3. At any time within twelve months after the passing of this Act it shall be lawful for Her Majesty, Her heirs and successors, by letters patent under the Great Seal of the United Kingdom, to nominate and appoint the person who shall at that time hold the office of Comptroller-General of the Receipt and Issue of Her Majesty's Exchequer, and Chairman of the Commissioners for Auditing the Public Accounts, to be Comptroller-General of the Receipt and Issue of Her Majesty's Exchequer and Auditor-General of Public Accounts, in this Act referred to as "Comptroller and Auditor-"General," and also to nominate and appoint one of the persons who shall at that time hold the offices of Commissioners for Auditing the Public Accounts to be "Assistant "Comptroller and Auditor."

The said Comptroller and Auditor-General and Assistant Comptroller and Auditor shall hold their offices during good behaviour, subject, however, to their removal therefrom by Her Majesty, Her heirs and successors, on an address from the two Houses of Parliament; and they shall not be capable of holding their offices together with any other office to be held during pleasure under the Crown or under any officer appointed by the Crown; nor shall they be capable, while holding their offices, of being elected or of sitting as members of the House of Commons; nor shall any peer of Parliament be capable of holding either of the said offices.

4. Her Majesty may, by such letters patent, grant to the persons therein named the following salaries; that is to say,—

To the Comptroller and Auditor-General a salary of two thousand pounds per annum, and to the Assistant Comptroller and Auditor a salary of one thousand five hundred pounds per annum; and such salaries shall be charged upon and paid out of the Consolidated Fund of the United Kingdom or the growing produce thereof.

It shall be lawful for Her Majesty, Her heirs and successors, by letters patent as aforesaid, to grant to any person who shall have executed the offices of Comptroller and Auditor-General, or Assistant Comptroller and Auditor, on his ceasing to hold such office, an annuity or pension not exceeding one-half of the salary of his office to which he shall have been entitled immediately before he ceased to hold such office, if he shall have held either, or one after the other, of the said offices, or the office of Commissioner of Audit for a period not less than fifteen years, and two-thirds of his said salary if he shall have held either, or one after the other, of the said offices for a period not less than twenty years: Provided always, that no such annuity or pension shall be granted to either of the said officers unless he be sixty years of age at the least, or be afflicted with some permanent infirmity disabling him from the due execution of his office, the same to be distinctly recited in such grant: Provided also, that nothing herein contained shall prevent either of the said officers from receiving, in lieu of such annuity or pension, if he shall so elect, the amount of superannuation allowance to which he would have been entitled in respect of the full period during which he shall have served in the permanent Civil Service of the State under the provisions of the Superannuation Act, 1859.

5. On the appointment as aforesaid of a Comptroller and Auditor-General and an Assistant Comptroller and Auditor, the then existing letters patent of appointments of Comptroller-General of the Exchequer and of Commissioners of Audit shall be *ipso facto* revoked, and the present offices of Comptroller-General of the Exchequer and Commissioners of Audit shall be abolished, but the person appointed to be Comptroller and Auditor-General shall have and perform all the powers and duties conferred or imposed on the Comptroller-General of

the Exchequer and the Commissioners for Auditing the Public Accounts respectively by any enactments relative to those authorities respectively as far as the same are not repealed or altered by this Act or any other Act of the present session of Parliament; and it shall be lawful for the Treasury to grant to each of the said Commissioners of Audit whose offices shall be abolished under the provisions of this Act, and who shall not be appointed to either of the said offices of Comptroller and Auditor-General or Assistant Comptroller and Auditor, an annual allowance, by way of compensation, not exceeding the sum charged on the Consolidated Fund as the salary of such Commissioners: Provided always, that any Commissioners who may be in receipt of emoluments exceeding the salary so charged on the Consolidated Fund shall be entitled to receive, in addition to the aforesaid compensation allowance, such proportion of the said emoluments as the Treasury are empowered to grant under the provisions of the Superannuation Act, 1859; and such allowances shall be charged upon and paid out of the Consolidated Fund of the United Kingdom or the growing produce thereof.

6. On the death, resignation, or other vacancy in the office of the Comptroller and Auditor-General, or of the Assistant Comptroller and Auditor, Her Majesty, Her heirs and successors, may by letters patent as aforesaid nominate and appoint a successor, who shall have the same powers, authorities, and duties, and who shall be paid the like salary and the like annuity or pension out of the Consolidated Fund.

7. Anything which under the authority of this Act is directed to be done by the Comptroller and Auditor-General may, in his absence, be done by the Assistant Comptroller and Auditor, except the certifying and reporting on accounts for the House of Commons.

8. The Treasury shall from time to time appoint the officers, clerks, and other persons in the Department of the Comptroller and Auditor-General, and Her Majesty by Order in Council may from time to time regulate the numbers and salaries of the respective grades or classes into which the said officers, clerks, and others shall be divided.

9. The Comptroller and Auditor-General shall have full

power to make from time to time orders and rules for the conduct of the internal business of his department, and to promote, suspend, or remove any of the officers, clerks, and others employed therein; and to prescribe regulations and forms for the guidance of principal and of sub-accountants in making up and rendering their periodical accounts for examination: Provided always, that all such regulations and forms shall be approved by the Treasury previously to the issue thereof.

10. The Commissioners of Customs, the Commissioners of Inland Revenue, and the Postmaster-General shall, after deduction of the payments for drawbacks, bounties of the nature of drawbacks, repayments, and discounts, cause the gross revenues of their respective departments to be paid, at such times and under such regulations as the Treasury may from time to time prescribe, to accounts to be intituled "The "Account of Her Majesty's Exchequer" at the Bank of England and at the Bank of Ireland respectively, and all other public moneys payable to the Exchequer shall be paid to the same accounts, and accounts of all such payments shall be rendered to the Comptroller and Auditor-General daily in such form as the Treasury may prescribe: Provided always, that this enactment shall not be construed to prevent the collectors and receivers of the said gross revenues and moneys from cashing, as heretofore, under the authority of any Act or regulation, orders issued for naval, military, revenue, civil, or other services, repayable to the Revenue Departments out of the Consolidated Fund or out of moneys provided by Parliament.

11. All moneys paid into the Bank of England and the Bank of Ireland on account of the Exchequer shall be considered by the Governor and Company of the said banks respectively as forming one general fund in their books; and all orders directed by the Treasury to the said banks for issues out of credits to be granted by the Comptroller and Auditor-General, as hereinafter provided, for the public service, shall be satisfied out of such general fund; and with a view to economise the public balances the Treasury shall restrict the sums to be issued or transferred from time to time to the

credit of accounts of principal accountants at the said banks, as herein-after provided, to such total sums as they may consider necessary for conducting the current payments for the public service intrusted to such principal accountants; and the said principal accountants may consider the sums so transferred to their accounts as constituting part of their general drawing balance applicable to the payment of all the services for which they are accountable; but such sums shall be carried in the books of such accountants to the credit of the respective services for which the same may be issued, as specified in such orders: Provided always, that this enactment shall not be construed to empower the Treasury or any authority to direct the payment, by any such principal accountant, of expenditure not sanctioned by any Act whereby services are or may be charged on the Consolidated Fund, or by a vote of the House of Commons, or by an Act for the appropriation of the supplies annually granted by Parliament.

12. At the close of each of the quarters ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, and the thirty-first day of December in every year, the Treasury shall prepare an account of the income and charge of the Consolidated Fund in Great Britain and in Ireland for such quarter, and the charges for the public debt due on the fifth day of April, the fifth day of July, the tenth day of October, and the fifth day of January, shall be included in the accounts of the said charge for the quarters ending on the days preceding the latter dates; and a copy of such account shall forthwith be transmitted by the Treasury to the Comptroller and Auditor-General; and if it shall appear by such account that the income of the Consolidated Fund in Great Britain or in Ireland for the quarter is not sufficient to defray the charge upon it, the Comptroller and Auditor-General, if satisfied of the correctness of the deficiency, shall certify the amount thereof, to the Bank of England or to the Bank of Ireland, as the case may be, and upon such certificates the said banks shall be authorised to make advances, from time to time, during the succeeding quarter, on the application of the Treasury, by writing, in a form to be from time to time determined by them, to an

amount not exceeding in the aggregate the sums specified in such certificates; and all such advances shall be placed to the credit of the Exchequer accounts at the said banks, and be available to satisfy the orders for credits granted or to be granted upon the said accounts by the Comptroller and Auditor-General; and the principal and interest of all such advances shall be paid out of the growing produce of the Consolidated Fund in the said succeeding quarter.

13. The Comptroller and Auditor-General shall grant to the Treasury from time to time, on their requisitions authorising the same, if satisfied of the correctness thereof, credits on the Exchequer accounts at the Banks of England and Ireland, or on the growing balances thereof, not exceeding the amount of the charge in the aforesaid quarterly account of the income and charge of the Consolidated Fund remaining unpaid.

The Comptroller and Auditor-General shall also grant from time to time to the Treasury, on similar requisitions, supplemental credits for services payable under any Act out of the growing produce of the Consolidated Fund, and not included in the aforesaid quarterly account; and the issues or transfers of moneys required from time to time by the principal accountants to enable them to make the payments intrusted to them shall be made out of such credits on orders issued to the said banks, signed by one of the Secretaries of the Treasury, or in their absence by such officer or officers as the Treasury may from time to time appoint to that duty, and in all such orders the services for which the issues may be authorised shall be set forth.

A daily account of all issues or transfers made from the Exchequer accounts, in pursuance of such orders, shall be transmitted by the said banks to the Comptroller and Auditor-General.

14. When any sum or sums of money shall have been granted to Her Majesty by a resolution of the House of Commons, or by an Act of Parliament, to defray expenses for any specified public services, it shall be lawful for Her Majesty from time to time, by Her Royal Order under the Royal Sign Manual, countersigned by the Treasury, to authorise and

require the Treasury to issue, out of the credits to be granted to them on the Exchequer accounts as herein-after provided, the sums which may be required from time to time to defray such expenses, not exceeding the amount of the sums so voted or granted.

15. When any ways and means shall have been granted by Parliament to make good the supplies granted to Her Majesty by any Act of Parliament or resolution of the House of Commons, the Comptroller and Auditor-General shall grant to the Treasury, on their requisition authorising the same, a credit or credits on the Exchequer accounts at the Bank of England and Bank of Ireland, or on the growing balances thereof, not exceeding in the whole the amount of the ways and means so granted. Out of the credits so granted to the Treasury issues shall be made to principal accountants from time to time on orders issued to the said banks, signed by one of the Secretaries of the Treasury, or in their absence by such officer or officers as the Treasury may from time to time appoint to that duty; and the services or votes on account of which the issues may be authorised shall be set forth in such orders: Provided always, that the issues for Army and Navy services shall be made under the general heads of "Army" and "Navy" respectively.

A daily account of all issues made from the Exchequer accounts in pursuance of such orders shall be transmitted by the said banks to the Comptroller and Auditor-General.

[1] 16. Within fifteen days after the expiration of the quarters ending on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September, and the thirty-first day of December in every year, the Treasury shall prepare an account of the public income and expenditure of the United Kingdom, according to the actual receipt and issue of moneys on the Exchequer accounts at the Bank of England and Bank of Ireland in the twelve months ending on such quarter days respectively; and if there shall appear by such account to be a surplus of income above expenditure, the Treasury shall certify the same to the National Debt Commissioners, and one-fourth part of such surplus shall be applicable to the reduction

[1] Section 16 is repealed by 38 & 39 Vict. c. 45, s. 6.

of the national debt as herein-after directed; and the National Debt Commissioners shall publish from time to time in the London Gazette the sum which will be so applied in the ensuing quarter. The Treasury shall cause one-fourth part of such surplus income to be charged on the Consolidated Fund in the quarter succeeding the termination of such account; and the sum so charged shall be issued by the Treasury from time to time in the next ensuing quarter to the National Debt Commissioners, who shall apply the same, during the said quarter, in redeeming funded or unfunded debt, or in repaying to the Bank of England or to the Bank of Ireland any advances made by them, under the provisions of this Act, towards supplying the deficiency of the Consolidated Fund during the said quarter; and all debt so redeemed shall be forthwith cancelled. And a copy of every account prepared by the Treasury as aforesaid, certified by the Comptroller and Auditor-General, shall be laid before the House of Commons within fifteen days after the expiration of the said quarterly periods, if Parliament be then sitting, or, if not sitting, then within one week after Parliament shall be next assembled.

[1] 17. All debts accruing due under any contract or lease now or hereafter entered into or taken for the public service, and payable out of the supplies from time to time voted by Parliament to Her Majesty for the public service, in any department for which the payments are made by the Paymaster-General, shall be discharged and paid in manner following; that is to say, such debts shall be payable on the order of the department, and the payment thereof shall be made by a draft drawn by the Paymaster-General on the Bank of England, according to the course and practice of his office, payable to the persons to whom such debts may be due, or to their agents.

18. The Treasury may from time to time determine at what banks accountants shall keep the public moneys entrusted to them, and they may also determine what accounts so opened in the names of public officers or accountants in the books of the Bank of England, of the Bank of Ireland, or of any

[1] Section 17 is repealed by 52 & 53 Vict. c. 53. s. 2.

other bank, shall be deemed public accounts; and on the death, resignation, or removal of any such public officers or accountants the balances remaining at the credit of such accounts shall, upon the appointment of their successors, unless otherwise directed by law, vest in and be transferred to the public accounts of such successors at the said banks, and shall not in the event of the death of any such public officers or accountants, constitute assets of the deceased, or be in any manner subject to the control of their legal representatives.

19. It shall be lawful for the Treasury, whenever they shall consider it for the advantage of the public service, to direct that the accounts of any public officer or department, which by any Act or Acts are required to be kept under separate heads at the Bank of England or at the Bank of Ireland, shall be consolidated in such manner as they shall judge most convenient for the public service.

20. It shall be lawful for the Bank of England and Bank of Ireland, at the request of the Treasury, signified by one of their secretaries, for the public convenience, to open and keep accounts of Government stock and annuities in the books of the said banks under the official description of any public officer for the time being without naming him and the dividends on such stock and annuities may from time to time be received, and the stock and annuities, or any part thereof, to the credit of such account may from time to time be transferred by the officer for the time being holding such office, as if such stock and annuities stood in his own name; and upon the death, resignation, or removal of any such public officer, the stock and annuities standing to the credit of such account, and all dividends thereon, including any dividends not theretofore received, shall become vested in his successor in office, and be receivable and transferable accordingly. And any such public officer in whose official description such Government stock and annuities may be standing may, by letter of attorney, authorise the Bank of England or the Bank of Ireland, or all or any of their cashiers, to sell and transfer all or any part of the stock or annuities from time to time standing in the books of the said banks on such account, and to receive the dividends due and to become due thereon; but no stock or annuities

shall be sold or transferred at the said banks under the authority of such general letter of attorney, except upon an order in writing, signed by one of the Secretaries of the Treasury, directed to the proper officers of the said banks.

Appropriation Accounts

21. The Treasury shall cause an account to be prepared and transmitted to the Comptroller and Auditor-General for examination on or before the thirtieth day of September in every year, showing the issues made from the Consolidated Fund of Great Britain and Ireland in the financial year ended on the thirty-first day of March preceding, for the interest and management of the public funded and unfunded debt, for the Civil List, and all other issues in the financial year for services charged directly on the said fund; and the Comptroller and Auditor-General shall certify and report upon the same with reference to the Acts of Parliament under the authority of which such issues may have been directed; and such accounts and reports shall be laid before the House of Commons by the Treasury on or before the thirty-first day of January in the following year, if Parliament be then sitting, and if not sitting, then within one week after Parliament shall be next assembled.

22. On or before the days specified in the respective columns of Schedule (A) annexed to this Act, accounts of the appropriation of the several supply grants comprised in the Appropriation Act of each year shall be prepared by the several departments, and be transmitted for examination to the Comptroller and Auditor-General and to the Treasury, and when certified and reported upon as herein-after directed they shall be laid before the House of Commons; and such accounts shall be called the "Appropriation Accounts" of the moneys expended for the services to which they may respectively relate; and the Treasury shall determine by what departments such accounts shall be prepared and rendered to the Comptroller and Auditor-General, and the Comptroller and Auditor-General shall certify and report upon such accounts as herein-after directed; and the reports thereon shall be signed by the Comptroller and Auditor-

General: Provided always, and it is the intention of this Act that the Treasury shall direct that the department charged with the expenditure of any vote under the authority of the Treasury shall prepare the appropriation account thereof: Provided also, that the term "department," when used in this Act in connexion with the duty of preparing the said appropriation accounts, shall be construed as including any public officer or officers to whom that duty may be assigned by the Treasury.

23. A plan of account books and accounts, adapted to the requirements of each service in order to exhibit, in a convenient form, the whole of the receipts and payments in respect of each vote, shall be designed under the superintendence of the Treasury; and Her Majesty may from time to time, by Order in Council, prescribe the manner in which each department of the public service shall keep its accounts.

24. An appropriation account of supply grants shall exhibit on the charge side thereof the sum or sums appropriated by Parliament for the service of the financial year to which the account relates, and on the discharge side thereof the sums which may have actually come in course of payment within the same period; and no imprest or advance, of the application of which an account may not have been rendered to and allowed by the accounting department, shall be included on the discharge side thereof.

25. The department charged with the duty of preparing the appropriation account of a grant shall, if required so to do by the Comptroller and Auditor-General, transmit to him, together with the annual appropriation account of such grant, a balance-sheet so prepared as to show the debtor and creditor balances in the ledgers of such department on the day when the said appropriation account was closed, and to verify the balances appearing upon the annual appropriation account: Provided always, that the Comptroller and Auditor-General may, if he thinks fit, require the said department to transmit to him in lieu of such balance-sheet a certified statement showing the actual disposition of the balances appearing upon the annual appropriation account on the last day of the period of such account.

26. Every appropriation account when rendered to the Comptroller and Auditor-General shall be accompanied by an explanation showing how the balance or balances on the grant or grants included in the previous account have been adjusted, and shall also contain an explanatory statement of any excess of expenditure over the grant or grants included in such account, and such statement as well as the appropriation account shall be signed by such department.

27. Every appropriation account shall be examined by the Comptroller and Auditor-General on behalf of the House of Commons; and in the examination of such accounts the Comptroller and Auditor-General shall ascertain, first, whether the payments which the accounting department has charged to the grant are supported by vouchers or proofs of payments, and, second, whether the money expended has been applied to the purpose or purposes for which such grant was intended to provide: Provided always, and it is hereby enacted, that whenever the said Comptroller and Auditor-General shall be required by the Treasury to ascertain whether the expenditure included or to be included in an appropriation account, or any portion of such expenditure, is supported by the authority of the Treasury, the Comptroller and Auditor-General shall examine such expenditure with that object, and shall report to the Treasury any expenditure which may appear, upon such examination, to have been incurred without such authority; and if the Treasury should not thereupon see fit to sanction such unauthorised expenditure, it shall be regarded as being not properly chargeable to a Parliamentary grant, and shall be reported to the House of Commons in the manner hereinafter provided.

28. In order that such examination may, as far as possible, proceed *pari passu* with the cash transactions of the several accounting departments, the Comptroller and Auditor-General shall have free access, at all convenient times, to the books of account and other documents relating to the accounts of such departments, and may require the several departments concerned to furnish him from time to time, or at regular periods, with accounts of the cash transactions of such departments respectively up to such times or periods.

29. In conducting the examination of the vouchers relating to the appropriation of the grants for the several services enumerated in Schedule (B) to this Act annexed, the Comptroller and Auditor-General, after satisfying himself that the accounts bear evidence that the vouchers have been completely checked, examined, and certified as correct in every respect, and that they have been allowed and passed by the proper departmental officers, may admit the same as satisfactory evidence of payment in support of the charges to which they may relate: Provided always, that if the Treasury should desire any such vouchers to be examined by the Comptroller and Auditor-General in greater detail, the Comptroller and Auditor-General shall cause such vouchers to be subjected to such a detailed examination as the Treasury may think fit to prescribe.

30. In conducting the examination of the vouchers relating to the appropriation of the grants for any services not enumerated in the aforesaid schedule, the Comptroller and Auditor-General shall test the accuracy of the castings and computation of the several items of such vouchers: Provided always, that when any vouchers have been certified to be correct by any officers specially authorised to examine the same, it shall be lawful for the Comptroller and Auditor-General, with the consent of the Treasury, to dispense with a second examination of the particular items of such vouchers.

31. If during the progress of the examination by the Comptroller and Auditor-General herein-before directed any objections should arise to any item to be introduced into the appropriation account of any grant, such objections shall, notwithstanding such account shall not have been rendered to him, be immediately communicated by him to the department concerned, and if the objections should not be answered to his satisfaction by such department, they shall be referred by him to the Treasury, and the Treasury shall determine in what manner the items in question shall be entered in the annual appropriation account.

32. In reporting as herein-before directed, for the information of the House of Commons, the result of the examination of the appropriation accounts, the Comptroller and Auditor-General shall prepare reports on the appropriation account of the Army and on that of the Navy separately.

He shall prepare a report on the appropriation accounts of the Departments of Customs, Inland Revenue, and Post Office.

He shall prepare a report or reports on the accounts relating to the several grants included within each of the classes into which the grants for civil services are divided in the Appropriation Act.

In all reports as aforesaid he shall call attention to every case in which it may appear to him that a grant has been exceeded, or that money received by a department from other sources than the grants for the year to which the account relates has not been applied or accounted for according to the directions of Parliament, or that a sum charged against a grant is not supported by proof of payment, or that a payment so charged did not occur within the period of the account, or was for any other reason not properly chargeable against the grant.

If the Treasury shall not, within the time prescribed by this Act, present to the House of Commons any report made by the Comptroller and Auditor-General on any of the appropriation accounts, or on the accounts of issues for Consolidated Fund services, the Comptroller and Auditor-General shall forthwith present such report.

Accounts other than Appropriation Accounts

33. Besides the appropriation accounts of the grants of Parliament, the Comptroller and Auditor-General shall examine and audit, if required so to do by the Treasury, and in accordance with any regulations that may be prescribed for his guidance in that behalf by the Treasury, the following accounts: viz., the accounts of all principal accountants, the accounts of the receipt of revenue by the Departments of Customs, Inland Revenue, and Post Office, the accounts of every receiver of money which is by law payable into Her Majesty's Exchequer, and any other public accounts which, though not relating directly to the receipt or expenditure of imperial funds, the Treasury may by minute to be laid before Parliament direct.

34. The accounts which by the last preceding section the Treasury are empowered to subject to the examination of the Comptroller and Auditor-General shall be rendered to him by the departments or officers who may be directed so to do by the Treasury; and the term "accountant," when used in this and the following sections of this Act with reference to any such accounts, shall be taken to mean the department or officer that may be so required by the Treasury to render the same; and every public officer into whose hands public moneys, either in the nature of revenue or fees of office, shall be paid by persons bound by law or regulation to do so, or by subordinate or other officers whose duty it may be to pay such moneys wholly or in part into the receipt of Her Majesty's Exchequer, or to apply the same to any public service, shall, at such times and in such form as the Treasury shall determine, render an account of his receipts and payments to the Comptroller and Auditor-General; and it shall be the duty of the Treasury to inform him of the appointment of every such officer.

35. Accountants shall transmit their accounts together with the authorities and vouchers relating thereto to the office of the Comptroller and Auditor-General in such form, and for such periods, and under such regulations as he may from time to time prescribe for the guidance of such accountants: Provided always, that no such regulations shall be obligatory on such accountants until they shall have been approved by the Treasury.

36. The Comptroller and Auditor-General shall examine the several accounts transmitted to him with as little delay as possible, and when the examination of each account shall be completed he shall make up a statement thereof in such form as he may deem fit, and if it shall appear from the statement so made up of any account, being an account current, that the balance thereon agrees with the accountant's balance, or if it shall appear from any account rendered by an accountant, as well as from the statement of such account by the Comptroller and Auditor-General, that the accountant is "even and quit," the Comptroller and Auditor-General is hereby required to sign and pass such statement of account

so made up by him as aforesaid: Provided always, that in all other cases whatever the Comptroller and Auditor-General, having made up the statement of account as herein-before directed, shall transmit the same to the Treasury, who, having considered such statement, shall return it to him, with their warrant attached thereto, directing him to sign and pass the account, either conformably to the statement thereof, or with such alterations as the Treasury may deem just and reasonable; and a statement of the account made up by the Comptroller and Auditor-General in accordance with such Treasury warrant shall then be signed and passed by him: Provided further, that a list of all accounts which the Comptroller and Auditor-General may sign and pass (such list to be so prepared as to show thereon the charge, discharge, and balance of each account respectively) shall be submitted by him to the Treasury twice in every year, videlicet, not later than the first week of February and the first week of August.

37. It shall be lawful for the Comptroller and Auditor-General, in the examination of any accounts, to admit and allow, in cases where it shall appear to him to be reasonable and expedient for the public service, vouchers for any moneys expressed therein, although such vouchers be not stamped according to law.

38. As soon as any account shall have been signed and passed by the Comptroller and Auditor-General, he shall transmit to the accountant a certificate, in which the total amount of the sums forming respectively the charge and discharge of such account, and the balance, if any, remaining due to or by such accountant shall be set forth; and every such certificate shall be signed by him, and shall be valid and effectual to discharge the accountant as the case may be, either wholly or from so much of the amount with which he may have been chargeable as he may appear by such certificate to be discharged from: Provided always, that when any account, not being an account current, has been signed and passed by the Comptroller and Auditor-General with a balance due thereon to the Crown, he shall not make out or grant any such certificate as aforesaid until the accountant has satisfied him either that he has discharged the full amount of such

balance, and any interest that may as herein-after provided be payable thereon, or that he has been relieved from the payment thereof, or of so much thereof as has not been paid, by a warrant from the Treasury.

39. No declaration shall be made by the Comptroller and Auditor-General before the Chancellor of the Exchequer in relation to any account or any state or statement thereof; nor shall any such state or statement be enrolled as of record in the office of Her Majesty's Remembrancer of the Court of Exchequer, any law, usage, or custom to the contrary notwithstanding; but every statement of an account made out, signed, and passed as aforesaid, shall be recorded in the office of the Comptroller and Auditor-General, and the recording of such statement of account in his office shall be as valid and effectual for enabling any process in the law against the party chargeable, and any other proceeding for the recovery of any balances and any interest thereon, and for all other purposes, as the enrolment of a declared account in the office of Her Majesty's Remembrancer would have been if this Act had not been passed; and a copy, certified under the hands of the Comptroller and Auditor-General, of the record of any such statement of account, shall be taken notice of and proceeded upon in the like manner as the record of any such declared account, enrolled as aforesaid, might have been if this Act had not been passed.

40. In all cases where the Comptroller and Auditor-General shall be required by the Treasury to examine and audit the accounts of the receipt, expenditure, sale, transfer, or delivery of any securities, stamps, Government stock or annuities, provisions, or stores, the property of Her Majesty, he shall, on the examination of such accounts being completed, transmit a statement thereof, or a report thereon, to the Treasury, who shall, if they think fit, signify their approval of such accounts to him, and he shall thereupon transmit to the accountant a certificate in a form to be from time to time determined by the Comptroller and Auditor-General, which shall be to such accountant a valid and effectual discharge from so much as he may thereby appear to be discharged from.

41. Every accountant shall, on the termination of his

charge as such accountant, or in case of a deceased accountant his representatives, shall forthwith pay over any balance of public money then due to the public in respect of such charge to the public officer authorised to receive the same; and in all cases in which it shall appear to the Comptroller and Auditor-General that balances of public money have been improperly and unnecessarily retained by an accountant, he shall report the circumstances of such cases to the Treasury; and the Treasury shall take such measures as to them may seem expedient for recovering by legal process, or by other lawful ways and means, the amount of such balance or balances, together with interest thereon, upon the whole or part of such balance or balances, for such period of time and at such rate, not exceeding five pounds per centum per annum, as to the Treasury may appear just and reasonable.

42. In all cases where any estate belonging to a public accountant shall be sold under any writ of extent or any decree or order of the Courts of Chancery or Exchequer, and the purchaser thereof or of any part thereof shall have paid his purchase money into the hands of any public accountant authorised to receive the same, such purchaser shall be wholly exonerated and discharged from all further claims of Her Majesty for or in respect of any debt arising upon the account of such accountant, although the purchase money so paid be not sufficient in amount to discharge the whole of the said debt.

43. In all cases in which an accountant may be dissatisfied with any disallowance or charge in his accounts made by the Comptroller and Auditor-General such accountant shall have a right of appeal to the Treasury, who, after such further investigation as they may consider equitable, whether by *viva voce* examination or otherwise, may make such order directing the relief of the appellant wholly or in part from the disallowance or charge in question, as shall appear to them to be just and reasonable, and the Comptroller and Auditor-General shall govern himself accordingly.

44. It shall be lawful for the Treasury, from time to time, if they see fit so to do, to dispense with the transmission, to the Comptroller and Auditor-General, of any accounts not being accounts of the receipt and expenditure of public

money, and with the audit of such accounts by him, any law, usage, or custom to the contrary notwithstanding: Provided always, that copies of any Treasury Minutes dispensing with the audit of such accounts shall be laid before Parliament.

45. Nothing in this Act contained shall extend to abridge or alter the rights and powers of Her Majesty to control, suspend, or prevent the execution of any process or proceeding, under this Act or otherwise, for recovering money due to the Crown.

46. The Acts mentioned in Schedule (C) to this Act annexed shall be repealed to the extent mentioned in such Schedule, and all accounts required or directed to be audited by the board of audit shall be audited according to the provisions of this Act; but nothing herein shall be deemed to confer upon the Treasury the powers with respect to audit vested in the Admiralty by the Greenwich Hospital Act, 1865, or to affect any right, title, obligation, or liability acquired or accrued before the commencement of this Act: Provided always, that this Act shall not affect any proceeding which may have been commenced under any of the said Acts before this Act comes into operation.

47. This Act shall commence on the first day of April one thousand eight hundred and sixty-seven.

SCHEDULE A

Grants or Services to which the Appropriation Accounts relate.	Dates after the Termination of every Financial Year to which Appropriation Accounts relate, on or before which they are to be made up and submitted.		
	To the Comptroller and Auditor-General by the Departments.	To the Treasury by Comptroller and Auditor-General.	To the House of Commons by the Treasury.
Army	31 December	31 January	15 February
Navy	30 November	15 January	31 January
Miscellaneous Civil Services—(Classes I. to VII.) . . .			
Revenue Departments (Salaries, Superannuation, &c. and Expenses)			
Post Office Packet Service and All other Services voted in Supply			

If Parliament be then sitting, and if not sitting then within one week after Parliament shall be next assembled.

SCHEDULE B

Army;
Navy;
and such other services as the Treasury, by their minute to be laid before Parliament, may direct; but no such minute shall take effect until it shall have lain before the House of Commons thirty days, unless it shall have been previously approved by a resolution of the House of Commons.

SCHEDULE C

Enactments Repealed

25 Geo. 3. c. 52.	An Act for better examining and auditing the Publick Accounts of this Kingdom.	
27 Geo. 3. c. 13. in part.	An Act for repealing the several Duties of Customs and Excise, and granting other Duties in lieu thereof, and for applying the said Duties, together with the other Duties composing the Publick Revenue; for permitting the Importation of certain Goods, Wares, and Merchandize, the Produce or Manufacture of the European Dominions of the French King, into this Kingdom; and for applying certain unclaimed Monies, remaining in the Exchequer for the Payment of Annuities on Lives, to the Reduction of the National Debt	in part; namely,—
	Section seventy-two.	
39 & 40 Geo. 3. c. 54. in part.	An Act for more effectually charging Publick Accountants with the Payment of Interest; for allowing Interest to them in certain Cases; and for compelling the Payment of Balances due from them	in part; namely,—
	Sections four, five, six, nine, ten, and thirteen.	
45 Geo. 3. c. 55.	An Act to amend an Act made in the Twenty-fifth Year of His present Majesty, for better examining and auditing the Publick Accounts of this Kingdom; and for enabling the Commissioners, in certain Cases, to allow of Vouchers, although not stamped according to Law.	

46 Geo. 3. c. 141.	An Act for making more effectual Provision for the more speedy and regular Examination and Audit of the Public Accounts of this Kingdom.
47 Geo. 3. Sess. 2. c. 39.	An Act for more effectually charging Publick Accountants with Interest upon Balances, and for other Purposes relating to the passing of Publick Accounts.
52 Geo. 3. c. 52.	An Act to provide for the speedy and regular Examination and Audit of the Public Accounts of Ireland; and to repeal certain former Acts relating thereto.
53 Geo. 3. c. 150.	An Act for the more speedy and effectual Examination and Audit of the Accounts of Military Expenditure in Spain and Portugal; for removing Delays in passing the Public Accounts; and for making new Arrangements for conducting the Business of the Audit Office.
57 Geo. 3. c. 48.	An Act to make further Provision for the Adjustment of the Accounts of the Consolidated Fund of the United Kingdom; and for making good any occasional Deficiency which may arise in the said Fund in Great Britain or Ireland respectively; and to direct the Application of Monies by the Commissioners for the Reduction of the National Debt.
1 & 2 Geo. 4. c. 121. in part.	An Act to alter and abolish certain Forms of Proceedings in the Exchequer and Audit Office relative to Public Accountants; and for making further Provisions for the Purpose of facilitating and expediting the passing of Public Accounts in Great Britain; and to render perpetual and amend an Act passed in the Fifty-fourth Year of His late Majesty for the effectual Examination of the Accounts of certain Colonial Revenues :— Except sections twenty-seven, twenty-eight, and twenty-nine.
10 Geo. 4. c. 27.	An Act to amend the several Acts for regulating the Reduction of the National Debt.
2 & 3 Will. 4. c. 26.	An Act to authorize the Commissioners for Auditing the Public Accounts of Great Britain to examine and audit Accounts of the Receipt and Expenditure of Colonial Revenues.

2 & 3 Will. 4. c. 99.	An Act for transferring the Powers and Duties of the Commissioners of Public Accounts in Ireland to the Commissioners for Auditing the Public Accounts of Great Britain.
c. 104.	An Act to regulate the Period of rendering the Public Accounts and making up the General Imprest Certificates.
4 & 5 Will. 4. c. 15. in part.	An Act to regulate the Office of the Receipt of His Majesty's Exchequer at Westminster :— Except sections seven and twenty-six.
3 & 4 Vict. c. 108. in part.	An Act for the Regulation of Municipal Corporations in Ireland in part; namely,— Sections two hundred and thirteen and two hundred and fourteen.
9 & 10 Vict. c. 92.	An Act to provide for the Preparation, Audit, and Presentation to Parliament of Annual Accounts of the Receipt and Expenditure of the Naval and Military Departments.
14 & 15 Vict. c. 42. in part.	An Act to make better Provision for the Management of the Woods, Forests, and Land Revenues of the Crown, and for the Direction of Public Works and Buildings in part; namely,— Section thirty-eight wholly, and section thirty-nine as far as it relates to the Accounts of the Commissioners of Her Majesty's Works and Public Buildings.
17 & 18 Vict. c. 19.	The Naval Pay and Prize Act, 1854
c. 94. in part.	An Act to alter the mode of providing for certain Expenses now charged upon certain Branches of the Public Revenues and upon the Consolidated Fund in part; namely,— Sections three, four, and five.
18 & 19 Vict. c. 96. in part.	The Supplemental Customs Consolidation Act, 1855 in part; namely,— Section one.
24 & 25 Vict. c. 93.	An Act to provide for the Preparation, Audit, and Presentation to Parliament of Annual Accounts of the Appropriation of the Moneys voted for the Revenue Departments.
28 & 29 Vict. c. 93.	An Act to consolidate the Offices of Comptroller-General of the Exchequer and Chairman of the Commissioners for auditing the Public Accounts, and for other Purposes.

TREASURY MINUTE DATED 2ND MARCH 1867

1. My Lords have had under consideration the Act 29 & 30 Vict. c. 39, intituled "An Act to consolidate the Duties of the Exchequer and Audit Departments, to regulate the Receipt, Custody and Issue of Public Moneys, and to provide for the Audit of the Accounts thereof."

2. The regulations necessary for carrying into effect the provisions of this Act may be divided under three heads :—

1st. The Regulations connected with the accounts of the "Appropriation" of the Grants of Parliament.

2nd. The Regulations applicable to the Audit of the Accounts of persons intrusted with the receipt and disbursement of Public or other Moneys.

3rd. The Regulations for carrying into effect the provisions of the Act so far as they relate to the receipt and issue of Public Moneys on the Exchequer Account.

3. The provisions relating to the Audit of the "Appropriation" Accounts referred to under the first head are contained in the sections 21 to 32 of the Act. My Lords have already, as appears by Their Minute of June 22nd 1866, taken steps to enable them to discharge the duties imposed upon them by the 23rd section of the Act, by appointing a Committee to prepare plans and regulations for keeping and rendering for audit the several Departmental Accounts. They have instructed the Committee to consider also what improvements may be made in the classification of the Annual Estimates for Miscellaneous Services, the accounts for which (with the exception of those of the Departments of Works and Public Buildings, and of Woods) are now, for the first time, to be subjected to an "Appropriation" Audit. When the Committee shall have made their Reports upon these matters My Lords will be prepared to make such regulations as may appear to them advisable, in order to carry out the intentions of the Act in this respect; and they direct that, until such Reports shall have been received, and instructions consequent thereupon shall have been issued in reference to the preparing and rendering of any of the Appropriation Accounts, every

account which is now audited by the Commissioners of Audit, and which relates to the final expenditure of a vote, shall continue to be examined in the same manner, and under the same regulations as they would have been, if the Commissioners of Audit had continued to be charged with the Audit thereof.

4. With respect to the Audit of Accounts, other than Appropriation Accounts, referred to under the second head, My Lords direct that the Accounts specially designated in the 33rd section of the Act, annexed to this Minute shall be audited by the Exchequer and Audit Department in the same manner and under the same regulations (so far as the same are not affected by the Act) as they would have been if the Commissioners of Audit had continued to be charged with the Audit thereof.

My Lords will be prepared, by a subsequent Minute, to direct what other Public Accounts, not relating directly to the Receipt or Expenditure of Imperial Funds, shall be transmitted to the Comptroller and Auditor-General for examination and audit under the provisions of the said 33rd section.

5. My Lords proceed to define the regulations for the Receipt and Issue of Public Money on the Exchequer Account, referred to under the third head.

6. The 10th section of the above Act relates to the payment of the gross receipts of the Revenue Departments to the Account of Her Majesty's Exchequer at the Bank of England, and to a similar Account at the Bank of Ireland. My Lords desire that the Commissioners of Customs, and the Commissioners of Inland Revenue, will continue to cause the Revenue, collected in their respective Departments, to be paid to the Banks daily, as prescribed by Treasury Minute of the 2nd March 1855;[1] and the Postmaster-General and the Commissioners of Woods and Forests, and the Paymaster-General will also continue to regulate the payments of Revenue, and other receipts in their respective Departments to the Exchequer Account, from time to time, according to the present custom. The several Revenue Departments will transmit to this Board as well as to the Comptroller and Auditor-

[1] See *Parliamentary Paper No.* 375, Session 1856, Appendix, page 583.

General certificates, according to the forms annexed, No. 1 (a & b), of the sums so paid to the Exchequer Account, at the same time as their orders are sent to the Banks to place the moneys to the credit of the said Account.

7. The 12th section of the Act directs that accounts of the income and[1] charge of the Consolidated Fund shall be prepared by the Treasury at the close of each quarter, and that such accounts shall be forthwith transmitted to the Comptroller and Auditor-General. The object of this enactment is to enable that officer to certify the amount of the deficiency for which this Board may be authorised to obtain advances, from the Banks of England and Ireland, to meet the charges of the Consolidated Fund for each quarter; and also to enable him to satisfy himself of the correctness of the amount for which credits on the Exchequer Account, to meet such charges, may from time to time be authorised by this Board under the 13th section of the Act. My Lords will cause the said accounts to be transmitted to the Comptroller and Auditor-General as soon as possible after the close of each quarter, prepared in the Form No. 2, annexed to this Minute; and the Comptroller and Auditor-General, after satisfying himself of the correctness of the deficiency of the income to meet the charge of the Consolidated Fund for the said quarter, will transmit to the said Banks a certificate of the amount, of such deficiency according to the Form No. 3, annexed.

8. The applications of the Treasury to the Banks for advances from time to time on account of the said deficiency will be according to the Form No. 4, annexed.

9. The 13th section of the Act requires the Comptroller and Auditor-General to grant to this Board, on their requisitions authorising the same, credits on the Exchequer Account at the Banks of England and Ireland to provide for the payment of the charges on the Consolidated Fund included in the aforesaid quarterly accounts of Income and Charge remaining unpaid; as well as to grant credits from time to time during the succeeding quarter, on similar requisitions for services

[1] The words "incoming charge" are a palpable slip and have been corrected.

payable out of the "growing produce" of the Consolidated Fund.

10. At the periods when the quarterly charges on the Consolidated Fund become payable, My Lords will authorise the Comptroller and Auditor-General, by requisitions according to Forms Nos. 5 and 6, to grant such credits, in part or in full of such charges. When the credits so authorised shall have been granted to this Board by the Comptroller and Auditor-General according to Forms Nos. 7 and 8, My Lords will direct the Banks, from time to time, to make the necessary issues or transfers, as required by the Act, from the Exchequer Account to the accounts of the Principal Accountants, charged with the duty of making the public payments, according to Form No. 9, annexed to this Minute. These authorities, when acted upon, are to be transmitted by the Banks to the Comptroller and Auditor-General.

11. A daily account of such issues (including the issues out of credits granted for supply services hereinafter referred to) is to be transmitted by the Bank of England to the Comptroller and Auditor-General and to this Board, according to Form No. 10; and a similar account is to be sent by the Bank of Ireland to the two departments according to Form No. 11, annexed to this Minute.

12. The issues to Principal Accountants will be regulated according to the provisions of the 15th section of the Act. When Ways and Means shall have been granted to Her Majesty by Act, My Lords will authorise the Comptroller and Auditor-General by requisition according to Form No. 12, annexed, to place credits at their disposal at the Banks of England and Ireland to enable them to supply the Principal Accountants with the funds necessary for carrying on the public service. Upon the grant of credits on the Exchequer Accounts at the said Banks by the Comptroller and Auditor-General (according to Form No. 13), the actual issues or transfers to the accounts of such Accountants will be made by orders of this Board, under the authority of a Royal Order (*see* Form No. 14, annexed), in accordance with the provisions of the 14th and 15th sections of the Act.

13. The orders for issues for Supply Services will be

prepared according to Form No. 15, annexed to this Minute, and when acted upon they will be transmitted by the Bank of England and the Bank of Ireland to the Comptroller and Auditor-General to afford him the means of verifying the accounts to be prepared by this Board, under the 16th section of the Act, and which he is required by the Act to certify previously to their being submitted to Parliament. A daily statement of such issues will be included in the accounts to be transmitted to this Board, and to the Comptroller and Auditor-General, by the Banks of England and Ireland (as hereinbefore directed), according to Forms Nos. 10 and 11.

14. On the first application of the new regulations after the close of the present financial year, it will be necessary that a Royal Order should be obtained for cancelling all previous Royal Orders for public Supply Services, so far as they may remain unexecuted on the 31st March next. A new Royal Order will therefore be obtained to authorise the issues to Principal Accountants out of credits to be granted upon the Exchequer Account to the extent of the balance of Ways and Means of prior years which may remain unissued on that day.

15. As under the existing system of granting credits upon the Account of Her Majesty's Exchequer at the Bank of England to Public Accountants, there will remain unexhausted credits on that Account on the 31st March next, and as after the 1st April next, actual transfers to those Accounts are to be substituted for credits on the Exchequer Account, My Lords request that the Bank of England will, on 31st March next, transfer all such balances of credits from the Exchequer Account to the separate Accounts of the persons in whose favour they may have been granted.

16. It will be necessary, in the case of the Paymaster-General, to open in the books of the Bank of England a new account, to be called "The Paymaster-General's Supply Account," to which the balance of credits above mentioned granted to that officer should be transferred. This Account is to be operated upon by the Paymaster-General solely by Writes-off to his Drawing and Bill Accounts.

17. The 16th section of the Act, so far as its provisions relate to the preparation of the Account therein referred to,

showing the surplus of Revenue applicable to the reduction of the National Debt, is already in operation under the provisions of the Act 57 Geo. III. c. 48; but a new provision has been added to the section, which renders it necessary that the Account in question should be certified by the Comptroller and Auditor-General, before it is presented to Parliament. My Lords will cause the Account to be transmitted to the Comptroller and Auditor-General immediately after the expiration of each quarter, in order that it may be certified and presented to the House of Commons within the period of fifteen days specified in the Act.

18. Let a copy of this Minute be transmitted to Sir William Dunbar,[1] to the Paymaster-General, the several Revenue Departments, the Bank of England, the National Debt Commissioners, the Bank of Ireland, the Inclosure Commissioners, the Master of the Mint, and the Commissioners of Public Works in Ireland, for their information and guidance; and request Sir William Dunbar to inform this Board if he has any alteration to suggest in the Forms of Authorities, Nos. 3, 7, 8, and 13, annexed to this Minute, which are to emanate from his department.

19. Let a copy of this Minute be laid before the House of Commons.

[1] Then Comptroller and Auditor-General.

APPENDIX II

PUBLIC ACCOUNTS AND CHARGES ACT, 1891, S. 2

54 & 55 VICT. CHAPTER 24

An ACT to amend certain provisions of the Law with respect to Money charged on or payable out of the Consolidated Fund, and with respect to Public Accounts.

[3rd July 1891.]

2. Whereas it is expedient to give statutory authority to the practice with respect to issues from the Exchequer and appropriations in aid; be it therefore enacted that—

(1) Where an Act authorises any sum to be issued out of the Consolidated Fund of the United Kingdom of Great Britain and Ireland towards making good the supply granted to Her Majesty for the service of any year, every sum issued in pursuance of that Act shall be applied towards making good the supply so granted at the time of such issue.

(2) All money directed by or in pursuance of any Act (whether passed before or after this Act), or by the Treasury, to be applied as an appropriation in aid of money provided by Parliament for any purpose shall be deemed to be money provided by Parliament for that purpose, and shall, without being paid into the Exchequer, be applied, audited, and dealt with accordingly, and so far as it is not in fact so applied shall be paid into the Exchequer.

(3) Where any fee, penalty, proceeds of sale, or other money of the nature of an extra receipt is, by virtue of this Act, or of any other Act (whether passed before or after this

Act), or otherwise, payable into the Exchequer, the Treasury may by a minute to be laid before Parliament direct that the whole or any specified part thereof shall be applied as an appropriation in aid of money provided by Parliament for the service mentioned in the minute.

APPENDIX III [1]

ESTIMATES CIRCULAR, 1912–1913

TREASURY CHAMBERS, *2nd October* 1911.

SIR—The Lords Commissioners of His Majesty's Treasury command me to transmit to you the enclosed forms of estimates for the services to be administered by your Department during the year ending 31st March 1913.

One copy of each form, after insertion of the proper particulars, and with such changes as may be necessary, should be returned to the Treasury in due course. *The figures of the past year should be carefully checked, and corrected where necessary.* As much inconvenience is caused if the forms are not used, additional copies of them, as well as of this covering letter, will be furnished to you if needful.

Date of rendering Estimates

Such of the Estimates for 1912–1913 as require no special delay in their preparation should be sent to the Treasury on or before the 1st December 1911. Those estimates which, from peculiar circumstances, cannot be made up so soon, should be sent in as speedily after that date as possible. The latest date at which any estimate, or alteration of an estimate, can be received will be the 13th January 1912.

To enable the Estimates to be promptly issued, it is important that all questions which affect the details should, unless in exceptional cases, be settled before the Estimates themselves are sent in. Proposals for which Treasury sanction is required should therefore be submitted well in advance of the time for sending in the Estimates. If in any case

[1] Reprinted from *House of Commons Paper* 277 *of* 1912, pp. 134-136.

questions are still unavoidably outstanding, the Estimates should not on that account be delayed, but should be submitted to the Treasury in as complete a state as possible, upon the basis of existing rates and authorities, with the understanding that the items still under consideration are liable to alteration.

N.B.—*In order that the Chancellor of the Exchequer may be in a position to ascertain the probable total of the Estimates at an early date, it is requested that in all cases where the delivery of the detailed estimate is likely to be delayed beyond* 15*th December* 1911, *the approximate total amount, so far as can be foreseen, may be communicated to the Treasury on or before that date.*

Date of Statements of Expenditure, etc.

All statements of actual expenditure on new buildings should be made up to the 30th November 1911. The estimates should not, however, be kept back on this account, but should be rendered, if necessary, with such statements in blank, leaving the omitted figures to follow later.

A like rule will govern any other statements of actual expenditure, or of actual receipts, or of time actually spent in particular services, etc., that may be admitted into the notes to the Estimates.

The statements of Pensions granted and ceased should be made up to the 30th November 1911.

Necessity for Economy

My Lords direct me to remind you that, while it is essential, in order to avoid Supplementary Estimates, that no expense likely to be found necessary should be omitted in the first instance, yet the state of the public revenue makes it imperative to restrict the provision to such services and sums as are urgently required.

Explanation of Estimates

My Lords desire to impress upon Departments the fact that a sufficient explanation is necessary of the amount estimated for a duly authorised service even when it does not exceed the estimate of the preceding year. The habit

of regarding each year's estimate as the starting-point for the next is one against which special vigilance is needed in the case of services upon which the expenditure is in some degree discretionary, and My Lords think it necessary to warn Departments, especially those whose expenditure is of this character, that they must be prepared to subordinate such expenditure to the financial exigencies of each year.

Notification of Vacancies

My Lords request that Their attention may be drawn by a note upon the estimate to any office provided for in it which is vacant at the date of forwarding the estimate, and as to the future of which any question may be pending.

Form for Explanations

It is particularly requested that the explanations of the details of the estimate may in all cases be written upon the forms referred to in Regulation 3. The explanations should not be confined to mere statements that a larger or smaller amount is required, but should afford a justification of the whole amount inserted. Additional copies of the forms can be supplied if required.

Progress Reports

In any case where the estimate contains provision for a special service which, though not permanent in character, extends over more than one year, My Lords request that the estimate may be accompanied by a report on such service showing—(*a*) the expenditure upon it to date as compared with the estimated total cost, (*b*) the progress made towards the completion of it; and stating whether the service is likely to be completed within the period previously anticipated, and at a cost not exceeding the amount sanctioned.

Estimate of Receipts in Stamps

I am to request that special attention may be given to the preparation of the estimate of receipts in stamps called for by Regulation 13.

Expenditure during the current Year

I am to request that, in addition to the information required by Regulation 3, the figures of actual expenditure under each sub-head may be given for the half-year to 30th September 1911, with any comments upon them regarded as an indication of the probable expenditure in the current year.

Vote on Account

Before the commencement of the next financial year Parliament will be asked to grant a Vote on Account sufficient to provide for the requirements of each service for the normal period of the Session. In ordinary course the Treasury will fix the amount to be included for a particular service on the basis of the amounts which have been found sufficient in previous years. If there are any special circumstances which should be regarded in fixing the amount of your Vote on Account for next year, I am to request that you will draw attention to them in the letter submitting the estimate, indicating the amount likely to be required.

The annexed regulations should be strictly observed in filling up the forms of estimates.—I am, Sir, Your obedient servant, C. HOBHOUSE.

To the Accounting Officer.

REGULATIONS TO BE OBSERVED IN PREPARING THE CIVIL SERVICE AND REVENUE DEPARTMENTS ESTIMATES

1. In preparing the estimates, the references to the chapters and sections of the statutes relating to the service provided for should be carefully revised and corrected according to the latest legislation, special care being taken to remove references to statutes which have been repealed or which are no longer applicable. Statutes governing the vote generally should be recited in the heading of it, and those relating to particular sub-heads should appear in the detail of those sub-heads.

2. No charge for which due sanction has not been already obtained is to be inserted in an estimate. Any contemplated alteration, addition, or new provision, requiring Treasury

approval, should be brought to Their Lordships' notice, if possible, in time for decision before the estimate is sent in. Where such a proposal cannot be submitted in advance of the estimate, it should be dealt with in a separate explanatory letter.

3. The letter transmitting each estimate should also enclose statements written upon the sheets of which copies are sent herewith, and in the form of which a specimen is annexed, explaining and justifying *seriatim* the amounts provided in the estimate under each sub-head of expenditure. The estimated amounts of receipts in cash or stamps should be similarly explained.

4. Authority for a new or increased expense is not to be inferred from the fact of its having been, from any cause, printed in the estimates before the proper official sanction has been given.

5. If Treasury approval has been signified to any deviation from the provision made in the estimate for the preceding year, care should be taken to insert an *accurate reference* to both the *number* and *date of the Treasury letter* conveying such approval.

6. Whenever a transfer of charge from one sub-head to another becomes necessary, the amount provided for the previous year for the service in question should be also transferred, so as to exhibit a proper comparison.

A like course should be followed if a charge be transferred, with previous Treasury consent, from one vote to another.

7. Each estimate should provide for the gross amount of charges which will probably come in course of payment during the year under each sub-head; and also for the gross receipt anticipated under the credit sub-head, in cases where the system of appropriation in aid of the vote has been introduced.

8. All charges for the personal remuneration of the permanent or temporary staff of a department, including the pay of professional men engaged for special services, should be provided for in the sub-head for "Salaries, etc.," unless some other arrangement has been specially sanctioned by the Treasury.

9. In cases where remuneration, exceeding the sum of £25

for the financial year, is received by any officer from public funds in addition to the ordinary emoluments of his office as provided in the estimate, a note must be appended, stating the amount of such remuneration, the service for which it is received, and the source from which it is provided. This rule is intended to apply to all extra remuneration, however casual or variable, and to any pension or compensation allowance in respect of Public Service, that an officer may receive, its object being to bring into one view the whole of his official emoluments from whatever source. Every officer is bound to report annually to the accounting officer of his department all the extra remuneration that he may have received in the year from any external source. The fact of an officer being provided with an official residence, fuel, or light, at the public expense, should also be recorded.

The mode of applying the foregoing regulation is more fully explained in Treasury Circular of 28th August 1897.

10. The estimate should be accompanied by a separate statement explaining, with reference to Treasury letters of approval, every "personal" salary or allowance included in the estimate.

11. The sub-head for incidental expenses should, as a general rule, be confined to petty and casual charges, too insignificant to be provided for separately. Details of it should be furnished to the Treasury, although not necessarily for publication.

12. Special attention should be called to any provision included in an estimate for rates, taxes, or insurance, with an explanation of the circumstances which are considered to make such provision necessary.

13. Special care should be taken in calculating the *Receipts* appertaining to each estimate; and their nature should be stated, so as to show the probable yield of each principal source.

The amounts that are likely to be collected in cash and in stamps should be stated separately.

If any material increase or decrease be expected in either cash or stamp receipts, the cause thereof should be explained to the Treasury, as prescribed by Regulation 3.

14. Departments charged with the duty of accounting for Parliamentary grants for Subordinate Departments or Services will be responsible for the observance of these regulations in the preparation and transmission of the several estimates of such Subordinate Departments and Services.

*Title of Vote*_____

Sub-head.	Explanation of Increase or Decrease in the Estimate for 1912–1913.
A.—Salaries. £	
Estimate 1912–1913 .	
„ 1911–1912 .	
Expenditure 1911–1912 (Six months to 30th September 1911.)	
„ 1910–1911	
„ 1909–1910	
„ 1908–1909	
B.—Travelling. £	
Estimate 1912–1913 .	
„ 1911–1912 .	
Expenditure 1911–1912 (Six months to 30th September 1911.)	
„ 1910–1911	
„ 1909–1910	
„ 1908–1909	
&c. &c.	
Receipts, or Credit Sub-head. £	
Estimate 1912–1913 .	
„ 1911–1912 .	
Receipts 1911–1912 . (Six months to 30th September 1911.)	
„ 1910–1911 .	
„ 1909–1910 .	
„ 1908–1909 .	

APPENDIX IV

LIST OF VOTES

Navy Estimates

Vote.

A. Numbers—

1. Wages of Officers, Seamen and Boys, Coast Guards, and Royal Marines.
2. Victualling and Clothing for the Navy.
3. Medical Establishments and Services.
4. Civilians employed on Fleet Services.
5. Educational Services.
6. Scientific Services.
7. Royal Naval Reserves.
8. Shipbuilding, Repairs, Maintenance, etc.
9. Naval Armaments.
10. Works, Buildings, and Repairs at Home and Abroad.
11. Miscellaneous Effective Services.
12. Admiralty Office.

Non-effective Services, viz.

13. Half Pay and Retired Pay.
14. Naval and Marine Pensions, Gratuities, and Compassionate Allowances.
15. Civil Superannuation, Compensation Allowances, and Gratuities.

Army Estimates

Vote.

A. Numbers—

1. Pay, etc., of the Army.
2. Medical Establishments: Pay, etc.

3. Special Reserve.
4. Territorial Forces.
5. Establishments for Military Education.
6. Quartering, Transport, and Remounts.
7. Supplies and Clothing.
8. Ordnance Department Establishments and General Stores.
9. Armaments, Engineer and Aviation Stores.
10. Works and Buildings.
11. Miscellaneous Effective Services.
12. War Office.

Non-effective Services, viz.

13. Non-effective charges for Officers, etc.
14. Non-effective charges for Men, etc.
15. Civil Superannuation, Compensation, and Gratuities.

CIVIL SERVICES

Class I. Public Works and Buildings

1. Royal Palaces.
2. Osborne.
3. Royal Parks and Pleasure Gardens.
4. Houses of Parliament Buildings.
5. Miscellaneous Legal Buildings, Great Britain.
6. Art and Science Buildings, Great Britain.
7. Diplomatic and Consular Buildings.
8. Revenue Buildings.
9. Labour Exchange and Insurance Buildings, Great Britain.
10. Public Buildings, Great Britain.
11. Surveys of the United Kingdom.
12. Harbours under the Board of Trade.
13. Peterhead Harbour.
14. Rates on Government Property.
15. Public Works and Buildings, Ireland.
16. Railways, Ireland.

Class II. Salaries and Expenses of Civil Departments

United Kingdom and England

1. House of Lords Offices.
2. House of Commons.
3. Treasury and Subordinate Departments.
4. Home Office.
5. Foreign Office.
6. Colonial Office.
7. Privy Council Office.
8. Board of Trade.
9. Mercantile Marine Services.
10. Bankruptcy Department of the Board of Trade.
11. Board of Agriculture and Fisheries.
12. Charity Commission.
13. Government Chemist.
14. Civil Service Commission.
15. Exchequer and Audit Department.
16. Friendly Societies Registry.
17. Local Government Board.
18. Lunacy Commission.
19. Mint, including Coinage.
20. National Debt Office.
21. Public Record Office.
22. Public Works Loan Commission.
23. Registrar-General's Office.
24. Stationery and Printing.
25. Woods, Forests, etc., Office of.
26. Works and Public Buildings, Office of.
27. Secret Service.

Scotland

28. Secretary for Scotland, Office of.
29. Board of Agriculture.
30. Fishery Board.
31. Lunacy Commission.
32. Registrar-General's Office.
33. Local Government Board.

Ireland

34. Household of the Lord Lieutenant.
35. Chief Secretary for Ireland.
36. Department of Agriculture, etc.
37. Charitable Donations and Bequests Office.
38. Congested Districts Board.
39. Local Government Board.
40. Public Record Office.
41. Public Works Office.
42. Registrar-General's Office.
43. Valuation and Boundary Survey.

Class III. Law and Justice

United Kingdom and England

1. Law Charges.
2. Miscellaneous Legal Expenses.
3. Supreme Court of Judicature, etc.
4. Land Registry.
5. Public Trustee.
6. County Courts.
7. Police, England and Wales.
8. Prisons, England and the Colonies.
9. Reformatory and Industrial Schools, Great Britain.
10. Criminal Lunatic Asylums, England.

Scotland

11. Law Charges and Courts of Law.
12. Scottish Land Court.
13. Register House, Edinburgh.
14. Prisons.

Ireland

15. Law Charges and Criminal Prosecutions.
16. Supreme Court of Judicature and other Legal Departments.
17. Irish Land Commission.
18. County Court Officers, etc.
19. Dublin Metropolitan Police (including Police Courts).

20. Royal Irish Constabulary.
21. Prisons.
22. Reformatory and Industrial Schools.
23. Dundrum Criminal Lunatic Asylum.

Class IV. Education, Science, and Art

United Kingdom and England

1. Board of Education.
2. British Museum.
3. National Gallery.
4. National Portrait Gallery.
5. Wallace Collection.
6. Scientific Investigation, etc.
7. Universities and Colleges, Great Britain, and Intermediate Education, Wales.

Scotland

8. Public Education.
9. National Galleries.

Ireland

10. Public Education.
11. Endowed Schools Commissioners.
12. National Gallery.
13. Science and Art.
14. Universities and Colleges.

Class V. Foreign and Colonial Services

1. Diplomatic and Consular Services.
2. Colonial Services.
3. Telegraph Subsidies and Pacific Cable.
4. Cyprus, Grant in aid.
5. Treasury Chest Fund.

Class VI. Non-effective and Charitable Services

1. Superannuation and Retired Allowances.
2. Miscellaneous Charitable and other Allowances.
3. Hospitals and Charities, Ireland.
4. Savings Banks' and Friendly Societies' Deficiencies.
5. Old Age Pensions.

Class VII. Miscellaneous

1. Temporary Commissions.
2. Miscellaneous Expenses.
3. Repayments to the Local Loans Fund.
4. Ireland Development Grant.
5. Government Hospitality.
6. International Exhibitions.
7. Repayments to the Civil Contingencies Fund.
8. Expenses under Unemployed Workmen Act, 1905.

Class VIII. Insurance and Labour Exchanges

1. National Health Insurance, Joint Committee.
2. National Health Insurance Commission, England.
3. National Health Insurance Commission, Wales.
4. National Health Insurance Commission, Scotland.
5. National Health Insurance Commission, Ireland.
6. Labour Exchanges and Unemployment Insurance.
7. National Health Insurance, Audit Department.
8. Friendly Societies, Grants in Aid.
9. National Health Insurance (Special Grants).
10. Treatment of Tuberculosis (Special Grants).

Revenue Departments

1. Customs and Excise.
2. Inland Revenue.
3. Post Office.

APPENDIX V

CONSOLIDATED FUND (NO. 1) BILL, 1912

A BILL to apply certain sums out of the Consolidated Fund to the service of the years ending on the thirty-first day of March one thousand nine hundred and eleven, one thousand nine hundred and twelve, and one thousand nine hundred and thirteen.

MOST GRACIOUS SOVEREIGN—We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled, towards making good the supply which we have cheerfully granted to Your Majesty in this session of Parliament, have resolved to grant unto Your Majesty the sums herein-after mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

1. The Treasury may issue out of the Consolidated Fund of the United Kingdom of Great Britain and Ireland, and apply towards making good the supply granted to His Majesty for the service of the years ending on the *thirty-first day of March one thousand nine hundred and eleven and one thousand nine hundred and twelve*, the sum of *two hundred and forty-one thousand one hundred and seventeen pounds*.

2. The Treasury may issue out of the Consolidated Fund of the United Kingdom of Great Britain and Ireland, and apply towards making good the supply granted to His Majesty for the service of the year ending on the *thirty-first day of*

March one thousand nine hundred and thirteen the sum of *fifty-nine million seventy-two thousand one hundred pounds.*

3.—(1) The Treasury may borrow from any person, by the issue of Treasury Bills or otherwise, and the Bank of England and the Bank of Ireland may advance to the Treasury on the credit of the said sums, any sum or sums not exceeding in the whole *fifty-nine million three hundred and thirteen thousand two hundred and seventeen pounds.*

(2) The date of payment of any Treasury Bills issued under this section shall be a date not later than the *thirty-first day of March one thousand nine hundred and thirteen*, and section six of the Treasury Bills Act, 1877 (which relates to the renewal of bills), shall not apply with respect to those bills.

(3) Any money borrowed otherwise than on Treasury Bills shall be repaid, with interest not exceeding *five pounds* per cent per annum, out of the growing produce of the Consolidated Fund, at any period not later than the next succeeding quarter to that in which the money was borrowed.

(4) Any money borrowed under this section shall be placed to the credit of the account of the Exchequer, and shall form part of the said Consolidated Fund, and be available in any manner in which such Fund is available.

4. This Act may be cited as the Consolidated Fund (No. 1) Act, 1912.

Note.—Section 6 of the Treasury Bills Act, 1877, referred to in Clause 3 (2) of the above Bill, empowers the Treasury to issue Treasury Bills or Exchequer Bills in lieu of Bills paid off during the same financial year.

APPENDIX VI

CONSOLIDATED FUND (APPROPRIATION) ACT, 1912

2 & 3 GEO. V. c. 7 [*7th August* 1912]

An Act to apply a sum out of the Consolidated Fund to the service of the year ending on the thirty-first day of March one thousand nine hundred and thirteen, and to appropriate the Supplies granted in this Session of Parliament.

MOST GRACIOUS SOVEREIGN—We, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom of Great Britain and Ireland in Parliament assembled, towards making good the supply which we have cheerfully granted to Your Majesty in this session of Parliament, have resolved to grant unto Your Majesty the sum herein-after mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted; and be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

GRANTS OUT OF CONSOLIDATED FUND

1. The Treasury may issue out of the Consolidated Fund of the United Kingdom of Great Britain and Ireland, and apply towards making good the supply granted to His Majesty for the service of the year ending on the thirty-first day of March one thousand nine hundred and thirteen the sum of ninety-two million eight hundred and forty-seven thousand three hundred and forty-three pounds.

2.—(1) The Treasury may borrow from any person, by the issue of Treasury Bills or otherwise, and the Bank of England and the Bank of Ireland may advance to the Treasury on the credit of the said sums, any sum or sums not exceeding in the whole ninety-two million eight hundred and forty-seven thousand three hundred and forty-three pounds.

(2) The date of payment of any Treasury Bills issued under this section shall be a date not later than the thirty-first day of March one thousand nine hundred and thirteen and section six of the Treasury Bills Act, 1877 (which relates to the renewal of bills), shall not apply with respect to those bills.

(3) Any money borrowed otherwise than on Treasury Bills shall be repaid, with interest not exceeding five pounds per cent. per annum, out of the growing produce of the Consolidated Fund, at any period not later than the next succeeding quarter to that in which the money was borrowed.

(4) Any money borrowed under this section shall be placed to the credit of the account of the Exchequer, and shall form part of the said Consolidated Fund, and be available in any manner in which such Fund is available.

Appropriation of Grants

3. All sums granted by this Act and the other Act mentioned in Schedule (A.) annexed to this Act out of the said Consolidated Fund towards making good the supply granted to His Majesty, amounting, as appears by the said schedule, in the aggregate, to the sum of one hundred and fifty-two million one hundred and sixty thousand five hundred and sixty pounds are appropriated, and shall be deemed to have been appropriated as from the date of the passing of the Acts mentioned in the said Schedule (A.), for the services and purposes expressed in Schedule (B.) annexed hereto.

The abstract of schedules and schedules annexed hereto, with the notes (if any) to such schedules, shall be deemed to be part of this Act in the same manner as if they had been contained in the body thereof.

In addition to the sums hereby granted out of the Consolidated Fund, there may be applied out of any money

directed under section two of the Public Accounts and Charges Act, 1891, to be applied as appropriations in aid of the grants for the services and purposes specified in Schedule (B.) annexed hereto, the sums respectively set forth in the last column of the said schedule.

4.—(1) So long as the aggregate expenditure on naval and military services respectively is not made to exceed the aggregate sums appropriated by this Act for those services respectively, any surplus arising on any vote for those services, either by an excess of the sum realised on account of appropriations in aid of the vote over the sum which may be applied under this Act as appropriations in aid of that vote, or by saving of expenditure on that vote, may, with the sanction of the Treasury, be temporarily applied either in making up any deficiency in the sums realised on account of appropriations in aid of any other vote in the same department, or in defraying expenditure in the same department which is not provided for in the sums appropriated to the service of the department by this Act, and which it may be detrimental to the public service to postpone until provision can be made for it by Parliament in the usual course.

(2) A statement showing all cases in which the sanction of the Treasury has been given to the temporary application of a surplus under this section, and showing the circumstances under which the sanction of the Treasury has been given, shall be laid before the House of Commons with the appropriation accounts of the naval and military services for the year, in order that any temporary application of any surplus sanctioned by the Treasury under this section may be submitted for the sanction of Parliament.

5. Whereas under the powers given for the purpose by the Appropriation Act, 1910, and the Appropriation Act, 1911, surpluses arising on certain votes for the naval and military services respectively have been temporarily applied as shown in the accounts set out in Schedule (C.) to this Act:

It is enacted that the application of those surpluses as shown in the said accounts is hereby sanctioned.

6. A person shall not receive any part of a grant which may be made in pursuance of this Act for half-pay or army,

navy, or civil non-effective services, until he has subscribed such declaration as may from time to time be prescribed by a warrant of the Treasury before one of the persons prescribed by such warrant:

Provided that, whenever any such payment is made at more frequent intervals than once in a quarter, the Treasury may dispense with the production of more than one declaration in respect of each quarter.

Any person who makes a declaration for the purpose of this section, knowing the same to be untrue in any material particular, shall be guilty of a misdemeanour.

7. This Act may be cited for all purposes as the Appropriation Act, 1912.

[TABLE

ABSTRACT OF SCHEDULES (A.) AND (B.) TO WHICH THIS ACT REFERS

SCHEDULE (A.)

Grants out of the Consolidated Fund . . . £152,160,560

SCHEDULE (B.)—APPROPRIATION OF GRANTS

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
1910–1911–1912.	£ s. d.	£ s. d.
Part 1. Navy Excesses, 1910–1911	100 0 0	28,795 10 10
„ 2. Civil Services (Supplementary), 1911–1912 .	241,017 0 0	27,190 0 0
	241,117 0 0	55,985 10 10
1912–1913.		
„ 3. Navy	45,075,400 0 0	1,863,892 0 0
„ 4. Army	27,860,000 0 0	3,414,165 0 0
„ 4. Army (Ordnance Factories)	100 0 0	2,923,000 0 0
	72,935,500 0 0	8,201,057 0 0
„ 5. Civil Services, Class I. .	3,831,430 0 0	125,263 0 0
„ 6. „ Class II. .	4,182,144 0 0	828,481 0 0
„ 7. „ Class III. .	4,621,535 0 0	851,101 0 0
„ 8. „ Class IV. .	19,705,454 0 0	30,774 0 0
„ 9. „ Class V. .	2,142,768 0 0	138,366 0 0
„ 10. „ Class VI. .	13,014,564 0 0	..
„ 11. „ Class VII. .	380,699 0 0	7,250 0 0
„ 12. „ Class VIII.	3,042,669 0 0	202,500 0 0
TOTAL CIVIL SERVICES .	50,921,263 0 0	2,183,735 0 0
„ 13. Revenue Departments, &c.	28,062,680 0 0	734,963 0 0
GRAND TOTAL . .	152,160,560 0 0	11,175,740 10 10

SCHEDULE (A.)

Grants out of the Consolidated Fund

	£	s	d.
For the service of the years ended on the 31st day of March 1911 and 1912 :—			
Under Act 2 Geo. 5. c. 1 . . .	241,117	0	0
For the service of the year ending on the 31st day of March 1913 :—			
Under Act 2 Geo. 5. c. 1 . . .	59,072,100	0	0
Under this Act	92,847,343	0	0
Total . . .	152,160,560	0	0

SCHEDULE (B.)—Part 1

Navy Excesses, 1910–1911

	Sums not exceeding					
	Supply Grants.			Appropriations in Aid.		
	£	s.	d.	£	s.	d.
Sum granted to make good Excesses of Navy Expenditure beyond the Grants for the year ended on the 31st day of March 1911 . . .	100	0	0	28,795	10	10

SCHEDULE (B.)—Part 2

Civil Services (Supplementary), 1911–1912

Schedule of Supplementary Sums granted to defray the charges for the Services herein particularly mentioned for the year ended on the 31st day of March 1912, viz. :—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
	£	£
CIVIL SERVICES.		
Class II.		
For the Salaries and Expenses in the Offices of the House of Commons .	10	940
For the Salaries and Expenses of the Board of Agriculture and Fisheries, and of Royal Botanic Gardens, Kew, including certain Grants in Aid	11,400	18,105
For Stationery, Printing, Paper, Binding and Printed Books for the Public Service, for the Salaries and Expenses of the Stationery Office, and for Sundry Miscellaneous Services, including Reports of Parliamentary Debates . .	47,000	2,000
For the Salaries and Expenses of the Department of Agriculture and other Industries and Technical Instruction for Ireland, and of the Services administered by that Department . .	5	6,645
For the Salaries and Expenses of the Local Government Board, Ireland, and to enable it to make good certain Statutory advances	50,000	..
Class III.		
For certain Miscellaneous Legal Expenses	1,000	..
For such of the Salaries and Expenses of the Supreme Court of Judicature and Court of Criminal Appeal as are not charged on the Consolidated Fund .	1,600	..
For the Salaries and Expenses of the Establishment of the Crofters Commission	120	..
Carried forward . .	111,135	27,690

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
	£	£
Brought forward . .	111,135	27,690
For the Salaries and Expenses of the Commissioner of Police, the Police Courts, and Metropolitan Police Establishment of Dublin	3,500	500 [1]
CLASS IV.		
For the Salaries and Expenses of the National Gallery, including a Grant in Aid for the Purchase of Pictures . .	17,776	..
For the Salaries and Expenses of the National Portrait Gallery . . .	40	..
For Public Education in Scotland, and for Science and Art in Scotland . . .	15,000	..
CLASS V.		
For making good the net loss on transactions connected with the raising of money for the various Treasury Chests Abroad in the year 1910–1911 . .	42,666	..
CLASS VII.		
For Expenditure in connection with International Exhibitions (including a Grant in Aid of the Expenses of the Royal Commission for the Brussels, Rome, and Turin Exhibitions)	19,300	..
For a Grant in Aid of the Expenses incurred on account of the Coronation of His Majesty the King, including the State Visits to Ireland, Wales and Scotland	10	..
CLASS VIII.		
For the Salaries and Expenses of the Offices of the Insurance Commissioners in England, Wales, Scotland and Ireland, and of the Joint Committee .	31,590	..
Total . . .	241,017	27,190

[1] Deficit.

SCHEDULE (B.)—PART 3

NAVY

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the NAVY SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For wages, &c., to 137,500 officers, seamen, and boys, coastguard, and royal marines (including an additional number of 1500 men and boys and an additional sum of 60,000*l.*) .	7,687,000	174,500
2. For victualling and clothing for the navy, including the cost of victualling establishments at home and abroad (including an additional sum of 54,000*l.*)	2,682,100	731,337
3. For medical services, including the cost of medical establishments at home and abroad	269,900	20,065
4. For martial law	3,500	100
5. For educational services . . .	152,500	66,385
6. For scientific services	72,000	31,789
7. For the royal naval reserve, the royal fleet reserve (including seamen pensioner reserve), and the royal naval volunteers, &c.	426,700	9,732
8. Sect. 1. For the personnel for shipbuilding, repairs, maintenance, &c., including the cost of establishments of dockyards and naval yards at home and abroad (including an additional sum of 35,000*l.*) . .	3,528,800	22,000
„ Sect. 2. For the matériel for shipbuilding, repairs, maintenance, &c., including the cost of establishments of dockyards and naval yards at home and abroad	5,076,800	380,300
Carried forward . .	19,899,300	1,436,208

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
	Brought forward . .	19,899,300	1,436,208
8.	Sect. 3. For contract work for shipbuilding, repairs, &c. (including an additional sum of 611,000*l.*) . .	13,666,600	175,000
9.	For naval armaments (including an additional sum of 200,000*l.*) . .	4,119,000	145,700
10.	For works, buildings, and repairs at home and abroad, including the cost of superintendence, purchase of sites, grants in aid, and other charges connected therewith (including an additional sum of 30,000*l.*)	3,545,000	32,000
11.	For various miscellaneous effective services	532,000	13,386
12.	For the Admiralty Office . . .	428,500	8,850
13.	For half-pay, and retired pay to officers of the navy and marines .	955,800	21,412
14.	For naval and marine pensions, gratuities, and compassionate allowances	1,516,200	30,926
15.	For civil superannuation, compensation allowances, and gratuities .	413,000	410
	TOTAL NAVY SERVICES . .	45,075,400	1,863,892

SCHEDULE (B.)—PART 4

ARMY

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the ARMY SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
1.	For the pay, &c., of His Majesty's Army (including Army Reserve to a number not exceeding 139,000) at home and abroad (exclusive of India)	8,536,000	1,354,000
2.	For the pay, &c., of the medical establishments and for medicines, &c. .	436,000	1,700
3.	For the pay, bounty, &c., of the Special Reserve (to a number not exceeding 91,363, including 1300 militia and 150 militia reserve) and of the Officers' Training Corps .	715,000	6,600
4.	For grants, pay, allowances, training, and miscellaneous charges of the Territorial Force (not exceeding 319,673 men, including 5000 Territorial Force Reserve), and Channel Islands and Colonial Militia, including the expense of permanent staff	2,780,000	4,800
5.	For establishments for military education	142,000	89,100
6.	For quartering, transport, and remounts	1,624,000	67,000
7.	For supplies and clothing . . .	4,275,000	198,500
8.	For the Ordnance Department establishments and for general stores .	615,000	220,000
9.	For armaments, aviation and engineer stores, including technical committees	1,718,000	325,000
	Carried forward . .	20,841,000	2,266,700

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
Brought forward . .	20,841,000	2,266,700
10. For works, buildings, and repairs, lands, and miscellaneous engineer services, including staff in connection therewith	2,602,000	106,900
11. For miscellaneous effective services .	72,000	950
12. For the War Office	440,000	560
13. For rewards; half-pay; retired pay; widows' pensions; and other non-effective charges for officers . .	1,843,000	515,000
14. For Chelsea and Kilmainham hospitals; for out pensions; for rewards for distinguished services; for widows' pensions; and for other non-effective charges for warrant officers, non-commissioned officers, and men, &c.	1,917,000	524,000
17. For civil superannuation, compensation, and additional allowances, gratuities, injury grants, &c. . .	145,000	55
TOTAL ARMY SERVICES . .	27,860,000	3,414,165
ARMY (ORDNANCE FACTORIES).		
For the ordnance factories, the cost of productions of which is charged to the army, navy, and Indian and Colonial Governments, &c.	100	2,923,000
TOTAL ARMY SERVICES (INCLUDING ORDNANCE FACTORIES) . .	27,860,100	6,337,165

SCHEDULE (B.)—PART 5

CIVIL SERVICES.—CLASS I

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For expenditure in respect of royal palaces, including a grant in aid .	71,300	1,087
2. For expenditure in respect of Osborne	13,000	2,400
3. For the royal parks and pleasure gardens	125,700	11,470
4. For expenditure in respect of the Houses of Parliament buildings .	50,800	400
5. For expenditure in respect of miscellaneous legal buildings, Great Britain	79,200	600
6. For expenditure in respect of Art and Science buildings, Great Britain (including a supplementary sum of 38,350*l.*)	142,650	2,045
7. For expenditure in respect of diplomatic and consular buildings, and for the maintenance of certain cemeteries abroad (including a supplementary sum of 20,000*l.*) .	105,800	1,238
8. For the Customs and Excise, Inland Revenue, Post Office and Telegraph buildings in Great Britain, and certain Post Offices abroad . .	725,800	5,340
9. For Labour Exchange and Insurance buildings, Great Britain (including a supplementary sum of 135,000*l.*)	350,300	565
10. For expenditure in respect of sundry public buildings in Great Britain not provided for on other votes .	725,500	12,298
Carried forward . .	2,390,050	37,443

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
Brought forward . .	2,390,050	37,443
11. For the survey of the United Kingdom, and for minor services connected therewith	214,589	43,475
12. For maintaining certain harbours under the Board of Trade and for grants in aid of harbours . .	75,065	2,600
13. For constructing a new harbour of refuge at Peterhead	32,000	..
14. For rates and contributions in lieu of rates, &c., in respect of Government property, and for rates on houses occupied by Representatives of Foreign Powers, and for salaries and expenses of the Rating of Government property department, and for a contribution towards the expenses of the London Fire Brigade . .	798,000	33,785
15. For the erection, repairs, and maintenance of public buildings in Ireland, for the maintenance of certain parks and public works, and for the maintenance of drainage works on the River Shannon . .	273,366	7,960
16. For payments under the Tramways and Public Companies (Ireland) Act, 1883, &c., the Railways (Ireland) Act, 1896, and the Marine Works (Ireland) Act, 1902 . .	48,360	..
TOTAL CIVIL SERVICES, CLASS I. . .	3,831,430	125,263

SCHEDULE (B.)—PART 6

CIVIL SERVICES.—CLASS II

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz. :—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For the salaries and expenses of the offices of the House of Lords .	28,741	15,000
2. For the salaries and expenses of the House of Commons	302,850	16,000
3. For the salaries and other expenses of the department of His Majesty's Treasury and subordinate departments, including expenses in respect of advances under the Light Railways Act, 1896	114,371	4,344
4. For the salaries and expenses of the office of His Majesty's Secretary of State for the Home Department and subordinate offices . . .	258,007	13,500
5. For the salaries and expenses of the department of His Majesty's Secretary of State for Foreign Affairs .	68,420	775
6. For the salaries and expenses of the department of His Majesty's Secretary of State for the Colonies, including a grant in aid of certain expenses connected with Emigration	60,075	..
7. For the salaries and expenses of the department of His Majesty's most Honourable Privy Council . .	10,646	1,800
8. For the salaries and expenses of the office of the Committee of Privy Council for Trade, and subordinate departments (including a supplementary sum of 3750*l.*) . . .	365,612	26,446
Carried forward . .	1,208,722	77,865

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
	Brought forward . .	1,208,722	77,865
9.	For the salaries and expenses of certain services transferred from the Mercantile Marine Fund and other services connected with the Mercantile Marine (including Merchant Seamen's Fund Pensions) . .	109,788	73,400
10.	For meeting the deficiency of income from fees, &c., for the requirements of the Board of Trade, under the Bankruptcy Acts, 1883 and 1890 .	8	111,291
11.	For the salaries and expenses of the Board of Agriculture and Fisheries and of Royal Botanic Gardens, Kew, including certain grants in aid .	253,539	137,580
12.	For the salaries and expenses of the Charity Commission for England and Wales	30,313	..
13.	For the Salaries and Expenses of the Department of the Government Chemist	20,633	..
14.	For the salaries and expenses of the Civil Service Commission . .	55,134	..
15.	For the salaries and expenses of the department of the Comptroller and Auditor-General	67,760	3,124
16.	For the salaries and expenses of the Registry of Friendly Societies .	12,122	..
17.	For the salaries and expenses of the Local Government Board . .	283,374	5,580
18.	For the salaries and expenses of the office of the Commissioners in Lunacy in England	19,830	962
19.	For the salaries and expenses of the Mint, including the expenses of coinage, and for the expenses of the preparation of medals, dies for postage and other stamps, and His Majesty's seals	50	161,000
20.	For the salaries and expenses of the National Debt Office . . .	12,580	3,177
	Carried forward . .	2,073,853	573,979

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
	Brought forward . .	2,073,853	573,979
21.	For the salaries and expenses of the Public Record Office and of the Office of Land Revenue Records and Inrolments	25,320	..
22.	For the salaries and expenses of the establishment under the Public Works Loan Commissioners . .	34	11,800
23.	For the salaries and expenses of the department of the Registrar-General of Births, &c., in England . .	60,405	10,250
24.	For stationery, printing, paper, binding, and printed books for the public service, for the salaries and expenses of the Stationery Office, and for sundry miscellaneous services, including reports of Parliamentary Debates	959,751	140,000
25.	For the salaries and expenses in the office of His Majesty's Woods, Forests, and Land Revenues . .	21,380	..
26.	For the salaries and expenses of the office of the Commissioners of His Majesty's Works and Public Buildings	136,750	..
27.	For His Majesty's foreign and other secret services	50,000	..
28.	For the salaries and expenses of the office of His Majesty's Secretary for Scotland and subordinate offices, expenses under the Inebriates Acts, 1879 to 1900, and expenses under the Private Legislation Procedure (Scotland) Act, 1899 . . .	17,126	2,010
29.	For the salaries and expenses of the Board of Agriculture for Scotland	209,580	5,000
30.	For the salaries and expenses of the Fishery Board for Scotland, and for grants in aid of piers or quays .	24,428	..
31.	For the salaries and expenses of the Board of Lunacy in Scotland .	6,123	520
	Carried forward . .	3,584,750	743,559

No.		Sums not exceeding	
		Supply Grants.	Appropriations in Aid.
		£	£
	Brought forward . .	3,584,750	743,559
32.	For the salaries and expenses of the department of the Registrar-General of Births, &c., in Scotland .	8,356	1,300
33.	For the salaries and expenses of the Local Government Board for Scotland	20,418	..
34.	For the salaries and expenses of the household of the Lord-Lieutenant of Ireland	4,552	..
35.	For the salaries and expenses of the offices of the Chief Secretary to the Lord-Lieutenant of Ireland, in Dublin and London, and of the Inspectors of Lunatic Asylums, and expenses under the Inebriates Acts	27,296	307
36.	For the salaries and expenses of the department of agriculture and other industries, and technical instruction for Ireland, and of the services administered by that department, including sundry grants in aid . .	136,314	57,481
37.	For the salaries and expenses of the office of the Commissioners of Charitable Donations and Bequests for Ireland	2,052	34
38.	For the Congested Districts Board for Ireland (Grants-in-Aid) . .	169,750	..
39.	For the salaries and expenses of the Local Government Board in Ireland, including sundry grants in aid .	111,688	13,000
40.	For the salaries and expenses of the Public Record Office in Ireland and of the Keeper of State Papers in Dublin	7,446	..
41.	For the salaries and expenses of the Office of Public Works in Ireland .	46,969	3,000
42.	For the salaries and expenses of the department of the Registrar-General of Births, &c., and for the expenses of collecting emigration statistics in Ireland	20,258	800
	Carried forward . .	4,139,849	819,481

No.		Sums not exceeding	
		Supply Grants.	Appropriations in Aid.
		£	£
	Brought forward . .	4,139,849	819,481
43.	For the salaries and expenses of the general valuation and boundary survey of Ireland	42,295	9,000
	TOTAL CIVIL SERVICES, CLASS II. .	4,182,144	828,481

SCHEDULE (B.)—PART 7

CIVIL SERVICES.—CLASS III

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
1.	For the salaries of the law officers department, the salaries and expenses of the department of the Solicitor for the affairs of His Majesty's Treasury and King's Proctor, and the department of Director of Public Prosecutions, for the costs of prosecutions, of other legal proceedings, and of Parliamentary Agency . . .	83,812	19,000
2.	For certain miscellaneous legal expenses, including grants in aid of the expenses of the Incorporated Law Societies of England and Ireland .	50,194	12,731
3.	For such of the salaries and expenses of the Supreme Court of Judicature and Court of Criminal Appeal as are not charged on the Consolidated Fund	330,632	51,700
4.	For the salaries and expenses of the office of Land Registry . . .	36,471	..
5.	For the salaries and expenses of the office of Public Trustee . . .	10	29,990
6.	For the salaries and expenses connected with the County Courts .	5	499,352
	Carried forward . .	501,124	612,773

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
	Brought forward . .	501,124	612,773
7.	For the salaries of the Commissioner and Assistant Commissioners of the Metropolitan Police, and of the Receiver for the Metropolitan Police District, the contribution towards the expenses of the Metropolitan Police, and the salaries and expenses of the Inspectors of Constabulary	126,998	77
8.	For the expenses of the prisons in England, Wales, and the Colonies .	776,550	25,000
9.	For the salaries and expenses of the office of the Inspector of Reformatories and for the maintenance of juvenile offenders in reformatory, industrial, and day industrial schools and in places of detention under the Children Act, in Great Britain	277,474	25,000
10.	For the maintenance of criminal lunatics in the Criminal Lunatic Asylums at Broadmoor and Rampton, including the furnishing and equipment of Rampton Asylum .	83,154	1,216
11.	For the salaries and expenses of the Lord Advocate's department and other law charges, and the salaries and expenses of the Courts of Law and Justice in Scotland . . .	87,373	49,300
12.	For the salaries and expenses of the office of the Scottish Land Court .	11,600	..
13.	For the salaries and expenses of the offices in His Majesty's General Register House, Edinburgh . .	43,966	..
14.	For the salaries and expenses of the Prison Commissioners for Scotland, and of the prisons under their control, including the maintenance of criminal lunatics and inmates of the State inebriate reformatory, and the preparation of judicial statistics	101,776	5,800
	Carried forward . .	2,010,015	719,166

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
	Brought forward . .	2,010,015	719,166
15.	For criminal prosecutions and other law charges in Ireland, including a Grant in relief of certain expenses payable by statute out of local rates	65,410	490
16.	For such of the salaries and expenses of the Supreme Court of Judicature and of certain other legal departments in Ireland as are not charged on the Consolidated Fund . .	113,135	3,900
17.	For the salaries and expenses of the office of the Irish Land Commission	616,147	24,500
18.	For the salaries, allowances, and expenses of various county court officers, and of magistrates in Ireland, and the expenses of revision	111,145	5,200
19.	For the salaries and expenses of the Commissioner of Police, the police courts and the metropolitan police establishment of Dublin . . .	96,466	56,715
20.	For the expenses of the Royal Irish Constabulary	1,377,389	35,680
21.	For the expenses of the General Prisons Board in Ireland, and of the establishments under their control; the registration of habitual criminals and the maintenance of criminal lunatics confined in district lunatic asylums	112,439	3,500
22.	For the expenses of reformatory and industrial schools in Ireland . .	111,912	1,950
23.	For the maintenance of criminal lunatics in the Dundrum Criminal Lunatic Asylum, Ireland . .	7,477	..
	TOTAL CIVIL SERVICES, CLASS III. .	4,621,535	851,101

SCHEDULE (B.)—PART 8

CIVIL SERVICES.—CLASS IV

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
1.	For the salaries and expenses of the Board of Education, and of the various establishments connected therewith, including sundry grants in aid (including a supplementary sum of 15,000*l.*)	14,519,765	10,100
2.	For the salaries and other expenses of the British Museum, and of the Natural History Museum, including certain grants in aid . . .	204,071	16,019
3.	For the salaries and expenses of the National Gallery, and of the National Gallery of British Art, Millbank, including a grant in aid for the purchase of pictures . .	14,445	2,500
4.	For the salaries and expenses of the National Portrait Gallery, including a grant in aid for the purchase of portraits	5,681	..
5.	For the salaries and expenses of the Wallace Collection	8,511	660
6.	For sundry grants in aid of scientific investigation, &c., and other grants	125,523	..
7.	For grants in aid of the expenses of certain Universities and Colleges in Great Britain and of the expenses under the Welsh Intermediate Education Act, 1889	314,200	..
	Carried forward . .	15,192,196	29,279

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
	Brought forward . .	15,192,196	29,279
8.	For public education in Scotland, and for Science and Art in Scotland, including a grant in aid . . .	2,489,425	..
9.	For the salaries and expenses of the National Gallery, the Scottish National Portrait Gallery, and the Museum of Antiquities, including certain grants in aid . . .	6,598	..
10.	For the expenses of the Commissioners of National Education in Ireland, including a grant in aid of the Teachers Pension Fund, Ireland (including a supplementary sum of 10,000*l.* for expenses of scholarships tenable by pupils from primary schools in Ireland) . .	1,744,554	150
11.	For the expenses of the Office of the Commissioners for managing certain school endowments in Ireland .	935	..
12.	For the salaries and expenses of the National Gallery of Ireland, including a grant in aid for the purchase of pictures	3,155	..
13.	For the salaries and expenses of the Institutions of Science and Art in Dublin, and of the Geological Survey of Ireland, and Annual Grants to Schools and Classes of Science and Art and Technical Instruction, including sundry Grants in Aid, administered by the Department of Agriculture and Technical Instruction for Ireland . . .	138,591	1,345
14.	For grants under the Irish Universities Act, 1908	130,000	..
	TOTAL CIVIL SERVICES, CLASS IV. .	19,705,454	30,774

SCHEDULE (B.)—PART 9

CIVIL SERVICES.—CLASS V

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

No.		Sums not exceeding: Supply Grants.	Sums not exceeding: Appropriations in Aid.
		£	£
1.	For the expenses in connection with His Majesty's embassies, missions, and consular establishments abroad, and other expenditure chargeable to the Consular Vote	689,040	101,820
2.	For sundry colonial services, including certain grants in aid (including a supplementary sum of 503,000*l.*) .	1,363,754	..
3.	For the subsidies to certain Telegraph Companies, and a grant in aid of the annual expenses of the Pacific Cable	39,974	36,546
4.	For a grant in aid of the Revenue of the Island of Cyprus	50,000	..
	TOTAL CIVIL SERVICES, CLASS V. .	2,142,768	138,366

SCHEDULE (B.)—PART 10

CIVIL SERVICES.—CLASS VI

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For superannuation, compensation, compassionate, and additional allowances, and gratuities under sundry Statutes, for compassionate allowances and gratuities awarded by the Treasury; and for the salaries of medical referees	778,253	..
2. For certain miscellaneous charitable and other allowances, Great Britain	1,439	..
3. For hospitals and infirmaries and certain miscellaneous charitable and other allowances in Ireland, including sundry grants in aid . . .	16,883	..
4. For making good the deficiency on the Income Account of the Fund for Friendly Societies	14,426	..
5. For Old Age Pensions in the United Kingdom, and for certain administrative expenses in connection therewith	12,200,000	..
6. For compensation to the Registrar and Staff at Stationers' Hall on the abolition of the office of Registrar . .	3,563	..
TOTAL CIVIL SERVICES, CLASS VI. .	13,014,564	..

SCHEDULE (B.)—PART 11

CIVIL SERVICES.—CLASS VII

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For the salaries and other expenses of temporary commissions, committees, and special inquiries	33,000	..
2. For certain miscellaneous expenses .	13,742	7,250
3. For making good certain sums written off from the assets of the Local Loans Fund	3,418	..
4. For the Ireland Development Grant (Grant in Aid)	185,000	..
5. For a grant in aid of the Government Hospitality Fund	10,000	..
6. For expenditure in connection with the International Exhibition at Ghent in 1913	30,000	..
7. For the repayment to the Civil Contingencies Fund of certain miscellaneous advances	5,539	..
8. For contributions in aid of expenses under the Unemployed Workmen Act, 1905	100,000	..
TOTAL CIVIL SERVICES, CLASS VII. .	380,699	7,250

SCHEDULE (B.)—PART 12

CIVIL SERVICES.—CLASS VIII

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several CIVIL SERVICES herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For the salaries and expenses of the National Health Insurance Joint Committee	37,570	..
2. For the salaries and expenses of the Insurance Commission (England), for contributions under Part I. of the National Insurance Act, 1911, and for grants in aid of expenditure incurred out of the National Health Insurance Fund in respect of benefits and expenses of administration under that Part of that Act (including certain special grants towards the expenses of Insurance Committees) (including a supplementary sum of 42,500*l.*)	1,560,145	..
3. For the salaries and expenses of the Insurance Commission (Wales), for contributions under Part I. of the National Insurance Act, 1911, and for grants in aid of expenditure incurred out of the Welsh National Health Insurance Fund in respect of benefits and expenses of administration under that Part of that Act (including certain special grants towards the expenses of Insurance Committees) (including a supplementary sum of 28,350*l.*)	129,510	..
Carried forward . .	1,727,225	

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
Brought forward . .	1,727,225	
4. For the salaries and expenses of the Insurance Commission (Scotland), for contributions under Part I. of the National Insurance Act, 1911, and for grants in aid of expenditure incurred out of the Scottish National Health Insurance Fund in respect of benefits and of expenses of administration under that Part of that Act (including certain special grants towards the expenses of Insurance Committees) (including a supplementary sum of 10,000*l.*) . . .	244,510	
5. For the salaries and expenses of the Insurance Commission (Ireland), for contributions under Part I. of the National Insurance Act, 1911, and for grants in aid of expenditure incurred out of the Irish National Health Insurance Fund in respect of benefits and of expenses of administration under that Part of that Act (including certain special grants towards the expenses of Insurance Committees) (including a supplementary sum of 18,100*l.*) . . .	168,140	..
6. For the salaries of the staff and other expenses of Labour Exchanges, including the contribution to the Unemployment Insurance Fund . .	804,037	202,500
7. For the salaries and expenses of the Audit staff under Part I. of the National Insurance Act, 1911 . .	51,757	..
8. For grants to Friendly Societies, &c., in aid of the expenses of preparing schemes under section 72 of the National Insurance Act, 1911 . .	47,000	..
TOTAL CIVIL SERVICES, CLASS VIII. .	3,042,669	202,500

SCHEDULE (B.)—PART 13

REVENUE DEPARTMENTS, &c.

SCHEDULE of SUMS granted, and of the sums which may be applied as appropriations in aid in addition thereto, to defray the charges of the several REVENUE DEPARTMENTS, &c., herein particularly mentioned, which will come in course of payment during the year ending on the 31st day of March 1913; viz.:—

	Sums not exceeding	
	Supply Grants.	Appropriations in Aid.
No.	£	£
1. For the salaries and expenses of the Customs and Excise Department .	2,357,900	93,770
2. For the salaries and expenses of the Inland Revenue Department . .	1,895,830	10,000
3. For the salaries and expenses of the Post Office, including Telegraphs and Telephones	23,808,950	631,193
TOTAL REVENUE DEPARTMENTS .	28,062,680	734,963

SCHEDULE (C.)

No. of Vote.	NAVY SERVICES, 1910–11. VOTES.	Surpluses.	Deficits made good from Surpluses.
		£ s. d.	£ s. d.
1	Wages, &c., of officers, seamen, and boys, Coast-guard, and Royal Marines	31,281 10 11	..
2	Victualling and clothing for the Navy	..	18,204 15 6
3	Medical establishments and services	11,644 15 7	..
4	Martial law	1,766 6 1	..
5	Educational services . .	6,486 4 1	..
6	Scientific services . . .	..	1,080 15 4
7	Royal Naval Reserves .	..	9,597 12 6
8	Shipbuilding, repairs, maintenance, &c.:		
	I. Personnel . . .	6,858 5 5	..
	II. Matériel . . .	139,306 5 8	..
	III. Contract work .	99,824 17 8	..
9	Naval armaments . .	..	36,512 7 6
10	Works, buildings, and repairs, at home and abroad	..	18,260 14 9
11	Miscellaneous effective services	..	63,485 6 2
12	Admiralty Office . . .	..	4,946 13 0
13	Half-pay and retired pay .	17,735 19 7	..
14	Naval and marine pensions, gratuities, and compassionate allowances . .	8,528 3 9	..
15	Civil superannuation, compensation allowances, and gratuities	14,292 4 2	..
..	Amount written off as irrecoverable	..	1,272 6 1
	Total . . .	337,724 12 11	153,360 10 10
	Add Excess Vote . .	100 0 0	..
		337,824 12 11	153,360 10 10
	NET SURPLUS . .	£184,464 2 1	

SCHEDULE (C.)

No. of Vote.	Army Services, 1910–11. Votes.	Surpluses.	Deficits made good from Surpluses.
		£ s. d.	£ s. d.
1	Pay, &c., of the Army. .	10,528 18 8	..
2	Medical establishment: Pay, &c.	4,415 17 10	..
3	Special Reserves . . .	26,477 6 8	..
4	Territorial Force . . .	109,200 6 11	..
5	Establishments for military education	2,089 1 9	..
6	Quartering, transport, and remounts	12,470 5 1	..
7	Supplies and clothing . .	..	98,235 4 8
8	Ordnance department establishments and general stores	..	13,879 18 3
9	Armaments and engineer stores	69,570 11 11	..
10	Works and buildings . .	80,948 1 2	..
11	Miscellaneous effective services	5,190 7 8	..
12	War Office	3,502 1 0	..
13	Non-effective charges for officers, &c. . . .	3,281 2 3	..
14	Non-effective charges for men, &c.	..	3,231 10 2
15	Civil superannuation, compensation, and gratuities .	2,060 18 11	..
	Balances irrecoverable and claims abandoned . .	..	3,779 15 7
	Total . . .	329,734 19 10	119,126 8 8
	Net Surplus . .	£210,608 11 2	

APPENDIX VII[1]

FORMS AUTHORISING AND GRANTING CREDITS AND EXCHEQUER ISSUES

Form No. 1

Treasury Requisition authorising Credits for Consolidated Fund Services

Consolidated Fund Services

Quarter to.....19...

By virtue of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 13): We authorise and require you to grant to the Lords Commissioners of His Majesty's Treasury for the time being on account of the charge of the Consolidated Fund for the Quarter ended.....19.., remaining unpaid at that date, Credits on the Accounts of His Majesty's Exchequer at the Bank of England and Bank of Ireland, or on the growing Balances thereof, for the following sums, viz. :—

At the Bank of England . . . £
At the Bank of Ireland . . . £

To be signed by Two Lords of the Treasury. .....
.....

Treasury Chambers, Whitehall,
.....19...

To the Comptroller and Auditor General.

[1] The forms, arranged in a different order, are to be found in Anson, *Law and Customs of the Constitution*, 4th ed., vol. i. pp. 316-322.

FORM No. 2

GRANT of CREDIT by the COMPTROLLER and AUDITOR GENERAL for SERVICES payable out of the CONSOLIDATED FUND

CREDIT FOR CONSOLIDATED FUND SERVICES

Quarter to.....19...

By virtue of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 13), and of a requisition from the Lords Commissioners of His Majesty's Treasury, authorising the same: I hereby grant a Credit to the Lords Commissioners of His Majesty's Treasury for the time being, on the account of His Majesty's Exchequer at the Bank of....., or on the growing Balance thereof, to the amount of.....on account of the charge of the Consolidated Fund in Great Britain (*or* Ireland, *as the case may be*), for the Quarter ended.....19.., remaining unpaid at that date.

Exchequer and Audit Department,
.....19... .....

Comptroller and Auditor General.

To the Governor and Company
of the Bank of.....

FORM No. 3

TREASURY REQUISITION authorising CREDITS for CONSOLIDATED FUND SERVICES, payable out of the GROWING PRODUCE

CONSOLIDATED FUND SERVICES

GROWING PRODUCE

By virtue of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 13): We authorise and require you to grant to the Lords Commissioners of His Majesty's Treasury for the time being, a Credit on the Account of His Majesty's Exchequer at the Bank of....., for the sum of £....., to provide for Issues required for the following Services, payable out

of the Growing Produce of the Consolidated Fund, in the current Quarter ending.....19..:—

Service.	Act.	Amount.

To be signed by Two Lords of the Treasury.
.....
.....

Treasury Chambers, Whitehall,
.....19...

To the Comptroller and Auditor General.

FORM No. 4

GRANT of CREDIT by the COMPTROLLER AND AUDITOR GENERAL for SERVICES payable out of the GROWING PRODUCE of the CONSOLIDATED FUND

CREDIT FOR CONSOLIDATED FUND SERVICES

GROWING PRODUCE

By virtue of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 13), and of a Requisition from the Lords Commissioners of His Majesty's Treasury, authorising the same: I hereby grant a Credit to the Lords Commissioners of His Majesty's Treasury for the time being, on the Account of His Majesty's Exchequer at the Bank of..... or on the growing Balance thereof, to the Amount of..... to provide for Services payable out of the GROWING PRODUCE of the Consolidated Fund in Great Britain (*or* Ireland, *as the case may be*) in the current Quarter ending.....19...

Exchequer and Audit Department,
.....19... .....

Comptroller and Auditor General.

To the Governor and Company
of the Bank of .....

FORM No. 5

TREASURY ORDER for Issues from the EXCHEQUER ACCOUNT for CONSOLIDATED FUND SERVICES

CONSOLIDATED FUND SERVICES

Quarter to.....19...

Treasury, Whitehall,
.....19...

GENTLEMEN,

Under the authority of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 13), and of the Credit granted to the Lords Commissioners of His Majesty's Treasury, by the Comptroller and Auditor General on the Account of His Majesty's Exchequer at the Bank of....., under the provisions of the said Act: I am commanded by the Lords Commissioners of His Majesty's Treasury to request that you will transfer the following sums, on the .. instant, from the said Account to the "Supply Account" of [His Majesty's Paymaster General [1]] in your books, on account of the charge of the Consolidated Fund in [Great Britain [2]] for the above-mentioned Quarter.

Service.	Amount.		
	£	s.	d.

I am to request that when these sums have been transferred accordingly, you will transmit this authority to the Comptroller and Auditor General.

I am, &c.

To be signed by one of the Secretaries of the Treasury. .....

To the Governor and Company of the Bank of.....

[1] [*or* of such other Principal Accountants as the case may require.]
[2] [*or* Ireland.]

FORM No. 6

ROYAL ORDER for PUBLIC SUPPLY SERVICES (For His Majesty's Royal Sign Manual)

ROYAL ORDER

SUPPLY SERVICES

WHEREAS the several sums mentioned in the Schedule hereunto annexed have been granted to Us (by Act, or by Resolution of the House of Commons, *as the case may be*) to defray the expenses of the Public Supply Services therein specified, which will come in course of payment in the year ending the 31st March 19..: OUR WILL AND PLEASURE is, that you do, from time to time, authorise the Governor and Company of the Bank of England, or the Governor and Company of the Bank of Ireland, to issue or transfer from the Account of our Exchequer at the said Banks to the Accounts of the persons charged with the payment of the said Services, such sums as may be required, from time to time, for the payment of the same, not exceeding the amounts respectively stated in the said annexed Schedule.

Provided that such issues or transfers shall be made out of the Credits granted or to be granted to you, from time to time, on the Account of Our Exchequer at the said Banks, by the Comptroller and Auditor General, under the authority of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 15), and shall not exceed in the whole the amount of the Credits so granted out of the Ways and Means appropriated by Parliament to the Service of the said year.

Given at Our Court at.....this.....day of.....19...

By His Majesty's Command,

To be countersigned by Two Lords of the Treasury. .....
.....

To the Commissioners of Our Treasury.

SCHEDULE.

Supply Service for which Valued or Granted.	Amount.		
	£	s.	d.

FORM No. 7

TREASURY REQUISITION authorising CREDITS for SUPPLY SERVICES

SUPPLY SERVICES

Year 19...

By virtue of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 15) :—We authorise and require you to grant to the Lords Commissioners of His Majesty's Treasury for the time being, on account of the Ways and Means granted for the service of the year ending 31st March 19.., Credit on the Account of His Majesty's Exchequer at the Bank of England and Bank of Ireland, or on the growing Balances thereof, for the following sums; viz. :—

At the Bank of England . . . £
At the Bank of Ireland . . . £

Treasury Chambers, Whitehall,
.....19...

To be signed by Two Lords of the Treasury. .....
.....

To the Comptroller and Auditor General.

FORM No. 8

GRANT of CREDIT by the COMPTROLLER AND AUDITOR GENERAL for SUPPLY SERVICES

CREDIT FOR SUPPLY SERVICES

Year 19...

By virtue of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 15), and of a Requisition from the Lords Commissioners of His Majesty's Treasury authorising the same: I hereby grant a Credit to the Lords Commissioners of His Majesty's Treasury for the time being, on the Account of His Majesty's Exchequer at the Bank of....., or on the growing Balance thereof, to the Amount of.....
.....

on account of the Ways and Means granted for the Service of the year ending 31st March 19...

Exchequer and Audit Department,
.....19... .....

Comptroller and Auditor General.

To the Governor and Company of the Bank of.....

FORM No. 9

TREASURY ORDER for ISSUES from the EXCHEQUER ACCOUNT for SUPPLY SERVICES

SUPPLY SERVICES

Year 19...

Treasury, Whitehall,
.....19...

GENTLEMEN,

Under the authority of the Exchequer and Audit Departments Act, 1866 (29 & 30 Vict. c. 39, s. 15), and of the Credit granted to the Lords Commissioners of His Majesty's Treasury, by the Comptroller and Auditor General, on the Account of His Majesty's Exchequer at the Bank of....., under the provisions of the said Act: I am commanded by the Lords Commissioners of His Majesty's Treasury to request that you will transfer the following sums, on the.....instant, from the said Account to the "Supply Account" of [His Majesty's Paymaster General [1]] in your books, on account of the Supply Services undermentioned :—

Supply Services.	Amount.
	£ s. d.

[1] [*or* of such other Principal Accountants as the case may require.]

I am to request that when these sums shall have been transferred accordingly, you will transmit this authority to the Comptroller and Auditor General.

I am, &c.

To be signed by one of the Secretaries of the Treasury. .....

To the Governor and Company of the Bank of.....

APPENDIX VIII[1]

TREASURY MINUTE OF 31ST MAY 1889 RELATING TO TREASURY BILLS

TREASURY MINUTE, dated 31st May 1889, prescribing REGULATIONS relating to the Preparation, Issue, and Cancellation of TREASURY BILLS, under the Acts 40 Vict. c. 2, and 52 Vict. c. 6.

THE Chancellor of the Exchequer calls the attention of the Board to section 5 of the National Debt Act, 1889 (52 Vict. c. 6), which provides that after the passing of that Act "Treasury Bills shall bear the name of one of the Secretaries "for the time being to the Treasury, and that name may be "impressed or affixed by machinery or otherwise in such "manner as the Commissioners of Her Majesty's Treasury "from time to time direct by regulations to be laid before "both Houses of Parliament."

These Bills, as the Board is aware, have, in accordance with the Treasury Bills Act, 1877 (40 Vict. c. 2, s. 8), been hitherto signed by the Comptroller and Auditor General, his signature being (pursuant to the regulations laid down in the Treasury Minute of the 16th March 1877) "affixed in the presence of "such public officer or other person as the Treasury may "from time to time approve."

Treasury Bills being often very numerous, the prescribed signature and counter-signature have been usually affixed to the Bills by a stamp; and representations have reached the Chancellor of the Exchequer that this mode of signature is not wholly free from risk, and might therefore detract from the negotiable value of the security. Accordingly, it was

[1] *House of Commons Paper 187 of 1889.*

deemed advisable to dispense with these signatures, and to substitute in lieu thereof a name engraved on the Bills in the same way as the name of the Chief Cashier of the Bank of England is engraved on Bank of England notes. As the Treasury is responsible for the payment of Treasury Bills, the Chancellor of the Exchequer proposed that the name so engraved should be the name of the Permanent Secretary to the Board.

He points out that this proposal does not weaken the force of the existing constitutional safeguard against the issue of Bills in excess of Parliamentary powers, that safeguard being the requirement in the Treasury Bills Act, 1877 (section 8), that Bills are only to be issued by the Bank of England " under the authority of a Warrant from the Treasury *counter-* " *signed by the Comptroller and Auditor General.*"

Parliament having given legislative sanction to the Chancellor of the Exchequer's proposal, he invites the Board to amend the regulations laid down in the Treasury Minute of the 16th March 1877 in this respect, and likewise in certain other respects.

My Lords concur.

They hereby rescind the existing regulations; and they proceed to lay down in lieu thereof the following regulations in pursuance of the powers conferred upon them by section 9 of the Treasury Bills Act, 1877, and section 5 of the National Debt Act, 1889, viz. :—

I. Whenever it is required to exercise the powers conferred by the Treasury Bills Act, 1877 (40 Vict. c. 2), the Treasury will issue Treasury Bills in one of the following ways, or partly in one way and partly in another way.

A. The Treasury may invite tenders for Treasury Bills.

(1.) Notice that such tenders will be received at the office of the Chief Cashier of the Bank of England on a given day shall be published in the *London Gazette* not less than five clear days before the date on which tenders are to be delivered, and shall specify the period (not exceeding 12 months) for which, and the terms and conditions subject to which, the Bills are to be issued.

(2.) The principal of such Bills shall be repaid at the date mentioned in each Bill.

(3.) The Treasury will from time to time instruct the Bank of England as to the form in which the tenders are to be made, and as to any other necessary proceedings in relation thereto.

(4.) The Treasury reserves to itself the right of refusing tenders, if it should think proper to do so.

(5.) The tenders for Treasury Bills shall be opened at the Bank of England in the presence of such person or persons as the Treasury shall from time to time direct.

B. The Treasury may also issue Treasury Bills with a fixed rate of interest to the Commissioners for the Reduction of the National Debt, or to such other person or persons as may be willing to buy the same.

(1.) The rate of interest of the Bills so issued shall be fixed by the Treasury.

(2.) The currency of the Bills shall be for any period not exceeding 12 months.

(3.) The principal of such Bills shall be repaid at the date mentioned in each Bill.

II. The name of the Permanent Secretary for the time being to the Treasury will be engraved on Treasury Bills, which will be printed on a special description of paper to be previously approved by the Treasury, and will be numbered in arithmetical order throughout each financial year, commencing with new numbers in each year.

III. The Treasury will from time to time give directions to the Bank of England for the preparation, in the Form A. hereto annexed, of such Treasury Bills as are required.

IV. When any tender or tenders for Treasury Bills have been accepted by the Treasury, or when the National Debt Commissioners or other person or persons shall have signified their willingness to buy Treasury Bills carrying a fixed rate of interest, a Treasury Warrant, drawn in the terms of one of the Forms B. or C. annexed to these regulations, will be transmitted for the counter-signature of the Comptroller and Auditor General, authorising the Bank of England to prepare

and issue such number of Treasury Bills, and for such amounts, as are specified in the Warrant.

V. The Bills when ready for issue will, upon the receipt of the sums therein specified, be delivered by the Bank of England, under the authority of the Treasury Warrant, to the order of the person or persons entitled thereto.

VI. The amount received by the Bank for Treasury Bills sold will be carried to the account of Her Majesty's Exchequer, as provided by the fifth section of the said Act.

VII. When the consideration allowed for the money advanced on Treasury Bills takes the form of interest prepaid, it will be necessary to make provision for showing in the public accounts the amount of such consideration. Accordingly, the Treasury will direct the issue to the Bank of England from the Exchequer of the amount of the prepaid interest, which will be paid by the Bank to the Exchequer account, together with the sums actually received for the Bills, thereby rendering the amount paid to the Exchequer, and thus brought to account as money raised, equal to the nominal amount of the Bills.

VIII. The principal sums of Treasury Bills will be payable at the Bank of England on the dates specified in the Bills, without grace, and the discharge for the payment of such Bills shall be an acknowledgment of receipt, to be given on the back of the Bills, or on a schedule of the numbers and amounts of the Bills.

IX. When Treasury Bills have been paid off by the Bank of England they will be cancelled in such manner as may be determined upon by the Governor and Deputy Governor of the Bank, and the Treasury will from time to time, upon an application from the Bank, direct cancelled Treasury Bills to be destroyed, and the Chief Cashier of the Bank shall certify to the Treasury the particulars of the Treasury Bills so destroyed.

X. When, upon any representation made by any holder of a Treasury Bill, the Treasury has reason to believe that a Bill has been lost, destroyed, or defaced, the Treasury will cause a Warrant to be prepared authorising the issue of a duplicate of such Bill, and will give directions for the delivery

of such duplicate Bill to the person or persons applying for the same, upon the execution by them of the usual bond of indemnity.

Transmit copies of this Minute to the Comptroller and Auditor General to the National Debt Commissioners, and to the Governor and Deputy Governor of the Bank of England, for their information.

Let copies of these regulations be laid before both Houses of Parliament, in accordance with the directions contained in section 9 of the Treasury Bills Act, 1877 (40 Vict. c. 2), and in section 5 of the National Debt Act, 1889 (52 Vict. c. 6).

31st May 1889.

FORM A

TREASURY BILL

(A)

Per Acts 40 Vict. c. 2, and 52 Vict. c. 6

Due.....

A. 0000. 1. A. 0000. 1.

£.....

London,.....

This Treasury Bill entitles [1].....or order to payment of ..... pounds at the Bank of England out of the Consolidated Fund of the United Kingdom on the .....

.....

Secretary to Her Majesty's Treasury.

FORM B

FORM of TREASURY WARRANT authorising the preparation of Treasury Bills and the issue of them to Persons whose tenders for the same have been accepted.

By virtue of the Treasury Bills Act, 1877 (40 Vict. c. 2), and National Debt Act, 1889 (52 Vict. c. 6), you are hereby authorised

[1] If this blank be not filled in, the Bill will be paid to bearer.

to prepare, in accordance with the provisions of the said Acts and the regulations for giving effect to the same prescribed by the Lords Commissioners of Her Majesty's Treasury, Treasury Bills for the total sum of.....pounds, as follows, viz. :—

.....Bills for £.....each.
.....Bills for £.....each.

The said Treasury Bills are to bear date the.....day of.....18.., and are to be payable at..... months after date, that is to say, on the.....day of.....18.. ; and they are to be issued and delivered to such person or persons as shall be signified in the directions of the Lords Commissioners of Her Majesty's Treasury, upon payment to you, for the account of Her Majesty's Exchequer, of the sums due in respect of the said Bills.

Treasury Chambers, Whitehall,
.....18...

(Counter-signature)

....

Comptroller and Auditor General. .....

Commissioners of H.M. Treasury.

To the Governor and Company of the
Bank of England.

Form C

Form of Treasury Warrant authorising the preparation of Treasury Bills and the issue of them to the Commissioners for the Reduction of the National Debt or to persons who have bought Bills carrying a fixed rate of interest.

By virtue of the Treasury Bills Act, 1877 (40 Vict. c. 2), and National Debt Act, 1889 (52 Vict. c. 6), you are hereby authorised to prepare, in accordance with the provisions of the said Acts, and the regulations for giving effect to the same prescribed by the Lords Commissioners of Her Majesty's Treasury, Treasury Bills for the total sum of .....pounds, as following, viz. :—

.....Bills for £.....each.
.....Bills for £.....each.

The said Treasury Bills are to bear date the.....day of .....18.., and are to be payable at.....days (or months) after date, that is to say, on the.....day of

.....18.. ; and they are to be issued and delivered to the Commissioners for the Reduction of the National Debt, [or such person or persons as shall be signified in the directions of the Lords Commissioners of Her Majesty's Treasury], upon payment to you, for the account of Her Majesty's Exchequer, of the sums due in respect of the said Bills.

Treasury Chambers,
.....18..

....

(Counter-signature.) Commissioners of H.M. Treasury.

.....

Comptroller and Auditor General.

To the Governor and Company of the
Bank of England.

APPENDIX IX

EXCHEQUER BOND

EXCHEQUER BOND

(With two Counterfoils)

Per Acts 29 Vict. c. 25, 52 Vict. c. 6, and .

Series.....

£..... 00000

THIS BOND entitles the Bearer to receive the Sum of..... on the....., together with Interest thereon, from ....., at the rate of.....per cent per annum, payable Quarterly on the.....and....., on presentation of the Coupons hereunto annexed.

The Principal and Interest of this Bond are chargeable on the Consolidated Fund of the United Kingdom, pursuant to the Act ....., and are payable at the Bank of England.

.....

Secretary to His Majesty's Treasury.

London,.....19...

FORM OF COUPON.

DIV.....

EXCHEQUER BOND INTEREST COUPON.

Per Acts 29 *Vict. c.* 25, 52 *Vict. c.* 6, *and* .

Series.....

FOR.....POUNDS. 00000

(Less Income Tax.)

Being Three Months' Dividend on.....Pounds.

Due.....

PAYABLE AT THE BANK OF ENGLAND.

£.....

APPENDIX X

NATIONAL DEBT (SINKING FUND) ACT, 1875.[1]

CHAPTER 45

An ACT to amend the Law with respect to the Reduction of the National Debt and the Charge for the National Debt in the Consolidated Fund. [2nd August 1875.]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

New Sinking Fund.

1. For the payment of the annual charge on account of the National Debt there shall be issued out of the Consolidated Fund,—

(*a*) During the financial year ending the thirty-first day of March one thousand eight hundred and seventy-six the sum of twenty-seven million four hundred thousand pounds; and

(*b*) During the financial year ending the thirty-first day of March one thousand eight hundred and seventy-seven the sum of twenty-seven million seven hundred thousand pounds; and

(*c*) During every subsequent financial year the sum of twenty-eight million pounds.

The said annual sum (in this Act referred to as the per-

[1] The Act has been amended in detail, s. 1 by successive Finance Acts (the last in 1910); s. 2 by 50 & 51 Vict. c. 16; and s. 3 by 40 & 41 Vict. c. 2; s. 7., but its framework is not affected.

manent annual charge for the National Debt) shall be charged on and issued out of the Consolidated Fund, at such times and in such manner as may be required for paying the charges payable thereout, and subject thereto, as the Treasury may from time to time direct, so that the whole amount thereof be issued in each financial year.

2. There shall be paid out of the permanent annual charge for the National Debt the following annual charges:

(1) All annuities, whether perpetual or terminable, charged on the Consolidated Fund under any Act passed before the passing of this Act (except as herein-after mentioned); and

(2) All interest on exchequer bonds or exchequer bills issued in pursuance of any Act passed before the passing of this Act (except as herein-after mentioned); and

(3) All interest on advances made by the Bank of England or the Bank of Ireland in pursuance of section twelve of the Exchequer and Audit Act, 1866; and

(4) The interest on all loans borrowed under any Act to meet ways and means; and

(5) The annual sum of five shillings in respect of each sum of one hundred and ten pounds of the two pounds ten shillings per centum Bank annuities which is payable to the account of the National Debt Commissioners in pursuance of section sixty-nine of the National Debt Act, 1870; and

(6) The annual sums payable for the time being to the Bank of England and Bank of Ireland for the management of the National Debt, or of any part thereof.

There shall not be paid out of the permanent annual charge for the National Debt any annuities or the interest on any exchequer bonds or exchequer bills or on any other loans created, issued, or borrowed,—

(*a*) Under any Act relating to the Public Works Loan Commissioners passed before the passing of this Act; or

(*b*) Under any Act passed after the passing of this Act which does not direct the same to be paid out of the said permanent annual charge.

3. Such portion of the permanent annual charge for the National Debt as is in any financial year not required for the purpose of paying the annual charges directed by this Act to be paid thereout (which portion may hereafter be called the new sinking fund) shall be from time to time issued to the National Debt Commissioners, and shall be applied by them, within six months after the date of the issue thereof, in purchasing, redeeming, or paying off any one or more of the following descriptions of debt, namely, annuities (perpetual or terminable) charged on the Consolidated Fund, and exchequer bonds and exchequer bills (whether held by the public or on account of the Exchequer, or sent into the Bank of England for payment); but the new sinking fund shall not be applied in paying off any advances made by the Bank of England or the Bank of Ireland in pursuance of section twelve of the Exchequer and Audit Act, 1866, or in paying off any loan borrowed under any Act to meet ways and means.

Old Sinking Fund

4. The Treasury shall, within fifteen days after the expiration of every financial year, prepare on account of the public income and expenditure of the United Kingdom according to the actual receipt and issue of moneys on the Exchequer accounts at the Bank of England and the Bank of Ireland during the said financial year, and shall therein show either the surplus of such income or the excess of such expenditure during the said year:

Provided that issues made for the payment of expenses authorised by any Act other than the annual Appropriation Act, shall not, so far as moneys to meet such issues have been provided out of loans, be deemed for the purpose of the said account to be part of such expenditure.

A copy of such account, certified by the Controller and Auditor General, shall be laid before the House of Commons within one month after the expiration of the financial year, if Parliament be then sitting, or, if not sitting, within one week after the then next meeting of Parliament, and a copy

of the account so certified shall also be sent to the National Debt Commissioners.

5. If there appear by the said account for any financial year to be a surplus of income above expenditure for that year, the Treasury shall in the course of the next financial year cause the amount of such surplus (which may be called the old sinking fund) to be issued out of the Consolidated Fund, or the growing produce thereof, at such times during that year as they may from time to time direct.

The old sinking fund shall be issued to the National Debt Commissioners, and shall be applied by them, within six months after the date of the issue thereof, in purchasing, redeeming, or paying off any one or more of the following descriptions of debt, namely, annuities (perpetual or terminable) charged on the Consolidated Fund, and exchequer bonds and exchequer bills (whether held by the public or on account of the Exchequer, or sent into the Bank of England for payment), and advances made by the Bank of England or the Bank of Ireland in pursuance of section twelve of the Exchequer and Audit Act, 1866, but the old sinking fund shall not be applied in paying off any loan borrowed under any Act to meet ways and means.

6. Section sixteen of the Exchequer and Audit Act, 1866, is hereby repealed as from the thirtieth day of June one thousand eight hundred and seventy-five, without prejudice to the application of any sums issued in pursuance of that section before that date, or to the cancellation of any debt redeemed or purchased before that date with sums issued in pursuance of that section.

Miscellaneous

7. The National Debt Commissioners shall keep such accounts of the application of the old and new sinking funds of each financial year as the Treasury may from time to time direct, and those accounts shall, within one month after the expiration of each financial year, be submitted to the Controller and Auditor General in such form as the Treasury may from time to time direct, and forthwith audited by him.

Before the expiration of two months after the expiration

of the said financial year the Controller and Auditor General shall send the said accounts as audited by him to the Treasury, who shall forthwith lay the same before the House of Commons, accompanied by such particulars relating to the new and old sinking funds (to be furnished by the National Debt Commissioners) as the Treasury may from time to time direct.

8. The Treasury shall publish from time to time in the *London Gazette* the sums which will be issued by them in pursuance of this Act in each quarter of a financial year to the National Debt Commissioners.

All annuities, bonds, bills, and loans purchased or redeemed by the National Debt Commissioners in pursuance of this Act shall be forthwith cancelled in such manner as the Treasury may from time to time direct; and any such direction shall be a sufficient indemnity to the Bank of England and the Bank of Ireland for anything done in pursuance thereof.

9. In this Act—

The expression "Treasury" means the Commissioners of Her Majesty's Treasury;

The expression "National Debt Commissioners" means the Commissioners for the Reduction of the National Debt;

The expression "Bank of England" means the Governor and Company of the Bank of England;

The expression "Bank of Ireland" means the Governor and Company of the Bank of Ireland;

The expression "financial year" means the twelve months ending on the thirty-first day of March;

The expression "loan borrowed under any Act to meet ways and means" means a loan borrowed in pursuance of an Act authorising sums to be borrowed on the credit of any sum which the Treasury are authorised by an Act to issue out of the Consolidated Fund towards making good the supply granted to Her Majesty; and

The expression "Consolidated Fund" means the Consolidated Fund of the United Kingdom.

10. This Act may be cited as the Sinking Fund Act, 1875.

APPENDIX XI

STANDING ORDERS OF THE HOUSE OF COMMONS ON FINANCIAL BUSINESS

Supply and Ways and Means

14. This house will, in future, appoint the committees of supply and ways and means at the commencement of every session, so soon as an address has been agreed to, in answer to His Majesty's speech.

15.—(1) As soon as the committee of supply has been appointed and estimates have been presented, the business of supply shall, until disposed of, be the first order of the day on Thursday, unless the house otherwise order on the motion of a minister of the Crown, moved at the commencement of public business, to be decided without amendment or debate.

(2) Not more than twenty days, being days before the 5th of August, shall be allotted for the consideration of the annual estimates for the army, navy, and civil services, including votes on account. The days allotted shall not include any day on which the question has to be put that the speaker do leave the chair, or any day on which the business of supply does not stand as first order.

(3) Provided that the days occupied by the consideration of estimates supplementary to those of a previous session or of any vote of credit, or of votes for supplementary or additional estimates presented by the government for war expenditure, or for any new service not included in the ordinary estimates for the year, shall not be included in the computation of the twenty days aforesaid.

(4) Provided also that on motion made after notice, to be decided without amendment or debate, additional time,

not exceeding three days, may be allotted for the purposes aforesaid, either before or after the 5th of August.

(5) On a day so allotted, no business other than the business of supply shall be taken before eleven, and no business in committee or proceedings on report of supply shall be taken after eleven, whether a general order exempting business from interruption under the standing order (sittings of the house) is in force or not, unless the House otherwise order on the motion of a minister of the Crown, moved at the commencement of public business, to be decided without amendment or debate.

(6) Of the days so allotted, not more than one day in committee shall be allotted to any vote on account, and not more than one sitting to the report of that vote. At eleven on the close of the day on which the committee on that vote is taken, and at the close of the sitting on which the report of that vote is taken, the chairman of committees or the speaker, as the case may be, shall forthwith put every question necessary to dispose of the vote or the report.

(7) At ten of the clock on the last day but one of the days so allotted the chairman shall forthwith put every question necessary to dispose of the vote then under consideration, and shall then forthwith put the question with respect to each class of the civil service estimates that the total amount of the votes outstanding in that class be granted for the services defined in the class, and shall in like manner put severally the questions that the total amounts of the votes outstanding in the estimates for the navy, the army, and the revenue departments be granted for the services defined in those estimates.

(8) At ten of the clock on the last, not being earlier than the twentieth, of the allotted days, the speaker shall forthwith put every question necessary to dispose of the report of the resolution then under consideration, and shall then forthwith put, with respect to each class of the civil service estimates, the question, that the house doth agree with the committee in all the outstanding resolutions reported in respect of that class, and shall then put a like question with respect to all the resolutions outstanding in the estimates for the navy,

the army, the revenue departments, and other outstanding resolutions severally.

(9) On the days appointed for concluding the business of supply, the consideration of that business shall not be anticipated by a motion of adjournment, and no dilatory motion shall be moved on proceedings for that business and the business shall not be interrupted under any standing order.

(10) Any additional estimate for any new matter not included in the original estimates for the year shall be submitted for consideration in the committee of supply on some day not later than two days before the committee is closed.

(11) For the purpose of this order two Fridays shall be deemed equivalent to a single sitting on any other day.

16. The committees of supply and ways and means shall be fixed for Monday, Wednesday, and Thursday, and may also be appointed for any other day on which the House shall meet for despatch of business.

17. Whenever the committee of supply stands as an order of the day, Mr. Speaker shall leave the chair without putting any question, unless on first going into supply on the army, navy, or civil service estimates respectively, or on any vote of credit, an amendment be moved, or question raised, relating to the estimates proposed to be taken in supply.

Public Money

66. This House will receive no petition for any sum relating to public service, or proceed upon any motion for a grant or charge upon the public revenue, whether payable out of the consolidated fund or out of money to be provided by parliament, unless recommended from the crown.

67. This House will not proceed upon any petition, motion, or bill, for granting any money, or for releasing or compounding any sum of money owing, to the crown, but in a committee of the whole House.

68. This House will not receive any petition for compounding any sum of money owing to the crown, upon any branch of the revenue, without a certificate from the proper officer or officers annexed to the said petition, stating the debt, what prosecutions have been made for the recovery of such

debt, and setting forth how much the petitioner and his security are able to satisfy thereof.

69. This House will not proceed upon any motion for an address to the crown, praying that any money may be issued, or that any expense may be incurred, but in a committee of the whole House.

70. This House will not receive any petition, or proceed upon any motion for a charge upon the revenues of India, but what is recommended by the crown.

71. If any motion be made in the house for any aid, grant, or charge upon the public revenue, whether payable out of the consolidated fund or out of money to be provided by Parliament, or for any charge upon the people, the consideration and debate thereof shall not be presently entered upon, but shall be adjourned till such further day as the house shall think fit to appoint, and then it shall be referred to a committee of the whole House before any resolution or vote of the House do pass therein.

Packet and Telegraphic Contracts

72. In all contracts extending over a period of years, and creating a public charge, actual or prospective, entered into by the Government for the conveyance of mails by sea, or for the purpose of telegraphic communications beyond sea, there should be inserted the condition that the contract shall not be binding until it has been approved of by a resolution of the House.

73. Every such contract, when executed, shall forthwith, if Parliament be then sitting, or, if Parliament be not then sitting, within fourteen days after it assembles, be laid upon the table of the House, accompanied by a minute of the lords of the treasury, setting forth the grounds on which they have proceeded in authorising it.

74. In cases where any such contract requires to be confirmed by act of Parliament, the bill for that purpose shall not be introduced and dealt with as a private bill, and power to the Government to enter into agreements by which obligations at the public charge shall be undertaken shall not be given in any private act.

Public Accounts

75. There shall be a standing committee, to be designated "the committee of public accounts," for the examination of the accounts showing the appropriation of the sums granted by Parliament to meet the public expenditure, to consist of fifteen members, who shall be nominated at the commencement of every session, and of whom five shall be a quorum.

APPENDIX XII

SPECIMEN ESTIMATE

CLASS II.—ESTIMATES, ETC., CIVIL SERVICES; FOR THE YEAR ENDING 31ST MARCH 1913

— 20 —

NATIONAL DEBT OFFICE

I. ESTIMATE of the Amount required in the Year ending 31st March 1913 to pay the Salaries and Expenses of the NATIONAL DEBT OFFICE (26 Geo. 3, c. 31, s. 15; 10 Geo. 4, c 24, ss. 47 and 48; 2 & 3 Will. 4, c. 59, ss. 14 & 20; 26 & 27 Vict. c. 87, s. 66; and 45 & 46 Vict. c. 51, s. 13).

Twelve Thousand Five Hundred and Eighty Pounds.

II. SUB-HEADS under which this Vote will be accounted for by the NATIONAL DEBT OFFICE.

	1912–13.	1911–12.	Increase.	Decrease.
NATIONAL DEBT OFFICE.				
A.—SALARIES, WAGES, AND ALLOWANCES . . .	£ 14,920	£ 15,527	£ ..	£ 607
B.—INCIDENTAL EXPENSES .	65	65	..	..
PENSIONS COMMUTATION BOARD.				
C.—ALLOWANCES	762	762	..	..
D.—INCIDENTAL EXPENSES .	10	10	..	..
GROSS TOTAL . . .	15,757	16,364	..	607
Deduct,—				
E.—APPROPRIATIONS IN AID[1]	3,177	3,009	..	168
NET TOTAL . . .	12,580	13,355	..	775
		NET DECREASE .	.	£775

[1] In addition to the amount provided as Appropriations in Aid, a sum will be recoverable from the Local Loans Fund in respect of expenses of administration in 1911–12, and will be paid direct into the Exchequer. These expenses are estimated to amount to £628.

20.—NATIONAL DEBT OFFICE—*continued.*

	1912–13.
Provision is also made as follows in other Estimates for Expenditure in connection with this Service :—	
Office Accommodation (Buildings, Furniture, Fuel and Light, etc.), Class I., 10 . . .	£ 5,100
Rates, Class I., 14	1,000
Stationery and Printing, Class II., 24 . .	450
Non-effective, Class VI., 1	6,582
Post Office, Revenue Departments No. 3 . .	329
	£13,461

III. DETAILS of the above.

NATIONAL DEBT OFFICE

A.—SALARIES, WAGES, AND ALLOWANCES:	Numbers. 1911–12.	Numbers. 1912–13.		Salary of Office. Minimum.	Annual Increment.	Maximum.	1912–13.	1911–12.
				£	£ s.	£	£	£
	1	1	Comptroller General	..	..	1,500	1,500	1,500
	1	1	Assistant Comptroller	800	50	1,000	850	817
	4	4	Principal Clerks [1] . .	550	25	700	2,676	3,128
	1	..	*Assistant Principal Clerk*	*400*	*20*	*500*	2,274	2,235
	4	5	Assistant Principal Clerks [2]	350	15	450		
	6	5	Clerks, Second Division (Higher Grade) . .	250	10	350	1,611	1,896
	16	17	Clerks, Second Division	70	7 10 / 10	130 / 300	2,926	2,869
	33	33	. . . Carried forward . . .				£11,837	£12,445

[1] One receives an allowance of £100 for acting as Chief Clerk, which is to be reconsidered on a vacancy.

[2] One receives an allowance of £250 as Actuary, which is to be reconsidered on a vacancy.

20.—NATIONAL DEBT OFFICE—*continued.*

A.—SALARIES, WAGES, AND ALLOWANCES—*continued.*	Numbers. 1911–12.	Numbers. 1912–13.		Salary of Office. Minimum.	Annual Increment.	Maximum.	1912–13.	1911–12.
	33	33	. . Brought forward . .	..	..	..	£11,837	£12,445
	1	1	Female Typist, per week	20s.	2s.	26s.	57	54
	1	1	Housekeeper . . .	..	..	£70	70	70
			Ditto. Allowance in lieu of quarters, etc.[1]	..	..	..	85	85
	1	1	Head Messenger [2] . .	£100	£5	£110	115	115
	1	1	Messenger, First Class [2] .	£90	£2 10s.	£100	105	105
	1	1	Messenger, Second Class [2]	£80	£2 10s.	£90	95	95
	1	1	Pensioner Messenger,[3] per week	21s.	1s.	24s.	63	63
	1	1	Porter	£55	£2 10s.	£80	69	66
	2	2	Boy Messengers, per week	9s.	1s. 6d.	..	64	69
	4	4	Charwomen at 14s. per week	..	..	..	160	160
			Extra attendance and contingencies . .	..	..	..		
			Agents at Bank of England	..	..	..	300	300
			Agents at Bank of Ireland [4]	..	..	..	100	100
			Broker	..	..	..	1,500	1,500
			Private Secretary to Comptroller General [5]	..	..	..	100	100
			Temporary Salaries, including Copying . .	..	..	..	200	200
	46	46	TOTAL for SALARIES, WAGES, and ALLOWANCES				£14,920	£15,527

[1] This allowance is to be reconsidered on a vacancy.

[2] The present three Messengers receive £5 each in addition to salary on scale.

[3] This Pensioner Messenger receives an Army Pension of 1s. 1d. a day.

[4] This amount will be repaid from the Vote for the Irish Land Commission (*see* Sub-Head E of this Vote).

[5] In addition to his salary as a Second Division Clerk.

20.—NATIONAL DEBT OFFICE—*continued.*

PENSIONS COMMUTATION BOARD
(34 & 35 Vict. c. 36, s. 5)

	1912–13.	1911–12.
C.—ALLOWANCES, ETC.:	£	£
Actuary	100	100
Secretary	150	150
Clerk	75	75
Housekeeper	5	5
Messengers	12	12
Fees to Medical Officers	400	400
Fees to Medical Referees named by Applicants	20	20
TOTAL for ALLOWANCES, etc.	£762	£762

These allowances (except the Medical Fees) are paid to officers whose regular salaries are included under Sub-Head A.

E.—APPROPRIATIONS IN AID:	£	£
Applied under the Act 45 & 46 Vict. c. 51, out of moneys to be received under that Act, as follows, viz.:—		
For Charges of Management of Savings Banks Immediate Annuities	1,063	1,056
For Charges of Management of Savings Banks Deferred Annuities	293	299
For Charges of Management of Government Insurance	251	249
Fees to be received by National Debt Office and Pensions Commutation Board	1,470	1,305
Repayment by the Irish Land Commissioners in respect of cost of Agents at Bank of Ireland	100	100
TOTAL APPROPRIATIONS IN AID	£3,177	£3,009

APPENDIX XIII

SPECIMEN APPROPRIATION ACCOUNT

CIVIL SERVICES, CLASS II., VOTE 20, 1912–13

NATIONAL DEBT OFFICE

ACCOUNT of the Sum expended, compared with the Sum granted, to pay the Salaries and Expenses of the NATIONAL DEBT OFFICE, in the year ended 31st March 1913, showing the Surplus or Deficit upon each Sub-Head of the Vote.

Service.	Grant.	Expenditure.	Expenditure compared with Grant.	
			Less than granted.	More than granted.
NATIONAL DEBT OFFICE.				
A.—Salaries, Wages, and Allowances	£ s. d. 14,920 0 0	£ s. d. 14,688 18 10	£ s. d. 231 1 2	£ s. d. ..
B.—Incidental Expenses	65 0 0	42 18 11	22 1 1	..
PENSIONS COMMUTATION BOARD.				
C.—Allowances	762 0 0	657 0 0	105 0 0	..
D.—Incidental Expenses	10 0 0	7 11 2	2 8 10	..
Gross Total	15,757 0 0	15,396 8 11	360 11 1	..
			Surplus of Gross Estimate over Expenditure	
			£360 11 1	
	Estimated	Realised	Surplus of Appropriations in Aid realised	
Deduct— E.—Appropriations in Aid	3,177 0 0	3,456 15 4	£279 15 4	
			Total Surplus to be surrendered	
Net Total	12,580 0 0	11,939 13 7	£640 6 5	

Explanation of the Causes of Variation between Expenditure and Grant

A.—Due to the retirement of an Assistant Principal Clerk and of a Second Division Clerk of the Higher Grade, to changes in the staff consequent thereon, and to a saving in temporary salaries. The saving was reduced by an expenditure of £283 for preparation of Life Annuity Tables charged against the Vote by Treasury directions (T.L. 6111/12), and by £18 consequent upon the appointment of an additional Clerk (T.L. 20,248/12). Employer's contributions under the National Insurance Act, 1911, amounted to £2 : 18 : 7.

B.—Due to the expenses being less than estimated.

C.—Due to the fees paid to Medical Officers and Medical Referees being less than estimated.

E.—Due to an increased amount of fees paid by candidates for commutation. The gross surplus was reduced by £72, the amount of commission received by the National Debt Office under the Savings Bank (Investment) Regulations being less than the sum estimated.

	Estimated.	Realised.
	£	£ s. d.
Applied under the Act 45 & 46 Vict. c. 51, out of moneys to be received under that Act . .	1,607	1,607 0 0
Fees received by National Debt Office and Pensions Commutation Board	1,470	1,749 15 4
Repayment by the Irish Land Commissioners in respect of cost of Agents at Bank of Ireland .	100	100 0 0
	3,177	3,456 15 4

Extra Remuneration (exceeding £25)

Nine officers received amounts varying from £27 to £40 for extra remuneration during the financial year in connection with the preparation of Returns for Parliament or Board of Trade, and for calculation of new Life Annuity Tables.

The Surplus of £1016 : 11 : 4 shown on the Account of the Vote "National Debt Office," for the year ended 31st March 1912, has been surrendered.

W. G. Turpin,
Accounting Officer.

National Debt Office,
25th July 1913.

I certify that this Account has been examined under my directions, and is correct.

H. J. Gibson,
Comptroller and Auditor-General.

Examined, M. S. Kelly.

REPORT OF THE COMPTROLLER AND AUDITOR-GENERAL

1. The amount to be surrendered is £640 : 6 : 5.

	£	s.	d.
Grant (Gross)	15,757	0	0
Expenditure (Gross)	15,396	8	11
Surplus	360	11	1
Add—			
Appropriations in Aid realised in excess of the Estimate	279	15	4
Total Surplus	£640	6	5

2. The Accounts of various non-voted Services administered by the National Debt Commissioners have been examined in my Department and found correct.

H. J. Gibson,
Comptroller and Auditor-General.

APPENDIX XIV

PARLIAMENT ACT 1911, 1 & 2 Geo. V. c. 13

Powers of House of Lords as to Money Bill

SECTION 1.—(1) If a Money Bill, having been passed by the House of Commons, and sent up to the House of Lords at least one month before the end of the session, is not passed by the House of Lords without amendment within one month after it is so sent up to that House, the Bill shall, unless the House of Commons direct to the contrary, be presented to His Majesty and become an Act of Parliament on the Royal Assent being signified, notwithstanding that the House of Lords have not consented to the Bill.

(2) A Money Bill means a Public Bill which in the opinion of the Speaker of the House of Commons contains only provisions dealing with all or any of the following subjects, namely, the imposition, repeal, remission, alteration, or regulation of taxation; the imposition for the payment of debt or other financial purposes of charges on the Consolidated Fund, or on money provided by Parliament, or the variation or repeal of any such charges; supply; the appropriation, receipt, custody, issue or audit of accounts of public money; the raising or guarantee of any loan or the payment thereof; or subordinate matters incidental to those subjects or any of them. In this subsection the expressions "taxation," "public money," and "loan," respectively do not include any taxation, money, or loan raised by local authorities or bodies for local purposes.

(3) There shall be endorsed on every Money Bill when it is sent up to the House of Lords and when it is presented to His Majesty for assent the certificate of the Speaker of the House of Commons signed by him that it is a Money Bill. Before giving his certificate, the Speaker shall consult, if practicable, two members to be appointed from the Chairmen's Panel at the beginning of each Session by the Committee of Selection.

* * * * * * *

Certificate of Speaker

Section 3.—Any certificate of the Speaker of the House of Commons given under this Act shall be conclusive for all purposes, and shall not be questioned in any court of law.

Enacting Words

Section 4.—(1) In every Bill presented to His Majesty under the preceding provisions of this Act, the words of enactment shall be as follows, that is to say:

"Be it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Commons in this present Parliament assembled, in accordance with the provisions of the Parliament Act, 1911, and by authority of the same, as follows."

(2) Any alteration of a Bill necessary to give effect to this section shall not be deemed to be an amendment of the Bill.

INDEX

Accounting Officer, 68-70, 77
Accounts, date of closing, 74
  special, 96-100
Agency payments, 12, 71
Allied Services, 12
Annuities, terminable, 58, 61, 92
Anson, 80-181
Appropriation Account, 33, 74
Appropriations in Aid, 9, 11, 16, 72
Army and Navy transfers, 72-73
Assets of State, 63
Audit, 74-79, 99-100

Bank, of England, 55, 93-95
  of Ireland, 94
Blanks, 41
Bowles v. *Bank of England*, 40
Budget, 37
Bullion, purchase of, 61, 63

Cattle Pleuro-Pneumonia Account, 98
Chancellor of Exchequer, 37, 41, 80-81
Chisholm's *Analysis*, 1, 54
Civil Contingencies Fund, 26, 87
Civil List, 19, 54, 83
Comptroller and Auditor General, 10, 65, 84
Consolidated Fund, 18, 59
  Account, 20
  charges, 19, 59, 66, 85
Courtney, Lord, 35
Crown Lands, 54

Debt, funded, 59, 90, 93
  unfunded, 59, 90
  management of, 60, 94
  National, 89, 93
Deficiency Advances, 22, 85
Development Commissioners, 99

Estimates Circular, 1
Estimates, Army and Navy, 5
Estimates for Public Works, 4
  Nominal or Token, 13, 61
  Supplementary, 8, 9, 14, 16, 26, 29, 31, 35
  Committee, 36
Exceptional Grants, 17
Excess votes, 15, 27, 29, 31, 76
Exchequer Account, 19, 23-24
  Balance, 23, 39, 52
  Bills, 85
  Bonds, 57-58, 61, 85
Extra Receipts, 12, 56

Finance Accounts, 43
Finance Bill, 39, 41
Financial Secretary to Treasury, 75 81
Financial year, 1
First Lord of Treasury, 80

Grant in Aid, vii, 10, 11
Guillotine, 32, 34, 37

Hunt, G. H., 86

Ilbert, Sir C. P., 31
Imprest, 24
Income Tax, 40
Insurance, National Health, 99

King's and Lord Treasurer's Remembrancer, 67
King's Speech, 25

Local Loans Fund, 97
Local Taxation Account, 60, 97
Lords, House of, and Finance, 42

Macaulay, Lord, 54
May, Sir E., 6, 42
Miscellaneous Revenue, 55
Money Bill, 31, 42

Monk Resolution, 73
Murray, 37

National Debt Commissioners, 89-91
National Health Insurance Fund, 99
New Service, 35
New Works, 14

Parliamentary Secretary to Treasury, 81
Paymaster-General, 66-67, 81-85
Pensions, hereditary, commuted, 20
Philippovich, E. von, 67, 95
Presentation of Estimates, date, 6
Principal Accountants, 68
Provisional collection of taxes, 40
Public Accounts Committee, 26, 75
  Epitome of Reports, 79
Public Works Estimates, 4
Public Works Loans, 96

Redlich, J., vi. 17
Road Improvement Fund, 60, 99
Royal Order, 66

Sinking Fund, New, 41, 45, 60, 91
  Old, 39, 41, 49, 79, 91
Special Accounts, 95
Sub-heads, new, 9
Suez Canal shares, 55, 59, 63, 85
Supplementary Estimates, 8, 9, 14, 16, 26, 35
Supply charges, 19, 63
Supply, setting up of, 29, 34

Tea duty, 40
Todd, A., vi, 80
Token Estimates, 13, 61
Transfers, 8, 72-73
Treasury, 80
  Bills, 58, 84
  Chest Fund, 86
  Minute on P.A.C. Reports, 76
  Remembrancer, Ireland, 67

Unemployment Fund, 99

Virement, 72
Vote, Excess, 15, 27, 76
  of Credit, 35
  on Account, 27
  Token or Nominal, 13, 61

Webb, vii. 11
Works in progress, 14
  new, 14

THE END

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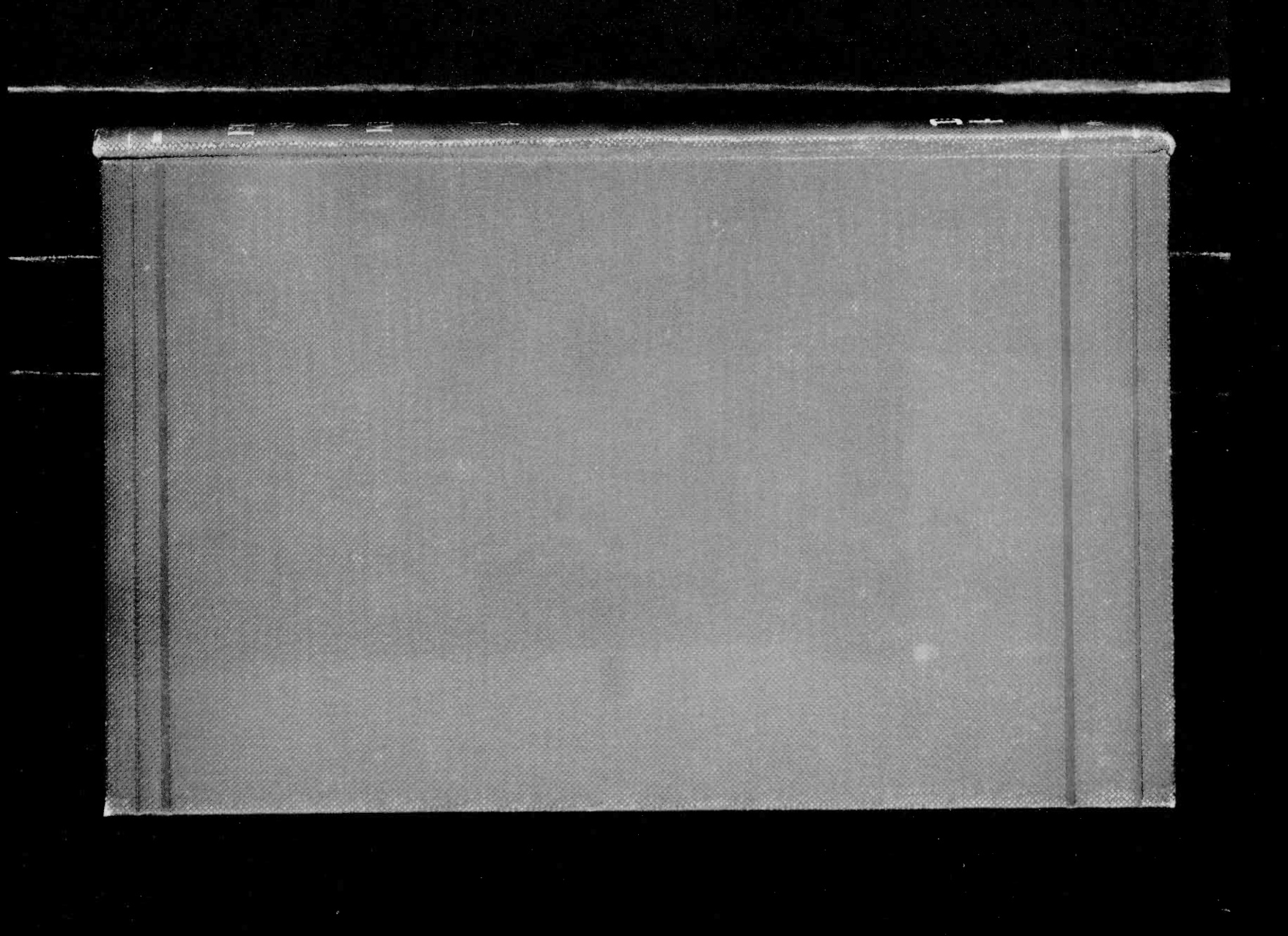

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